UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):
May 24, 2001

MATTHEWS INTERNATIONAL CORPORATION

(Exact name of registrant as specified in its charter)

Pennsylvania	0-9115 and 0-24494	25-0644320
(State or other jurisdiction of incorporation)	(Commission File Numbers)	(IRS Employer Identification No.)

Two NorthShore Center, Pittsburgh, PA	15212-5851
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (412) 442-8200

Item 2. Acquisition

On May 24, 2001, Matthews International Corporation ("Matthews") acquired the Commemorative Products business of The York Group, Inc. ("York") for $45 million cash. The purchase price was determined as a result of negotiations between Matthews and York. The transaction was completed through the purchase of certain assets (pursuant to an asset purchase agreement) and stock of subsidiaries under the Commemorative Products segment of York (pursuant to a stock purchase agreement). As part of the transaction, Matthews acquired York's manufacturing facilities in Kingwood, West Virginia and Bryan, Texas. The transaction was financed by Matthews through existing cash on hand and a $30 million bank loan from Mellon Bank, N.A. The acquisition is expected to be accretive to Matthews' earnings immediately.

The assets of the business purchased by Matthews were used in the manufacture and sale of bronze commemorative products, such as bronze memorials. Matthews intends to continue the business as part of its Bronze segment.

Item 5. Other Events

On May 24, 2001, Matthews International Corporation ("Matthews") and The York Group, Inc. ("York") signed a merger agreement whereby Matthews is to acquire 100% of the outstanding common shares of York for $10 cash per share. Matthews also agreed to pay up to an additional $1 cash per share based on the excess cash remaining on York's balance sheet as of October 31, 2001. Completion of this transaction, anticipated to occur in the fourth quarter of 2001, is subject to York achieving earnings before interest, taxes, depreciation and amortization ("EBITDA") from its casket operations greater than the same period of the prior year for the nine months ended September 30, 2001; approval of the merger by the shareholders of York; compliance with

applicable legal and regulatory requirements; and standard closing conditions. York believes that the interim period prior to closing will permit York to increase the per share value received by shareholders in the merger through the disposition of non-casket operations and other non-operating assets. York, a leading casket manufacturer in the United States, expects to have annual revenues approximating $130 million following the sale of its other operating businesses. The acquisition is expected to be accretive to Matthews' earnings in its first year. Thomas J. Crawford, President and Chief Executive Officer of York, is expected to lead the casket operations after the acquisition.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

(a) Financial Statements

It is impracticable for the Registrant to provide the required financial statements for the acquired business at the time this report is being filed. Financial statements required pursuant to this Item and the requirements of the Securities Exchange Act of 1934 will be filed by amendment to this Report within 60 days from the filing of this Report as permitted by Item 7(a)(4) of Form 8-K.

(b) Pro Forma Financial Information

It is impracticable for the Registrant to provide the required pro forma financial information at the time this report is being filed. Pro Forma financial information required pursuant to this Item and the requirements of the Securities Exchange Act of 1934 will be filed by amendment to this Report within 60 days from the filing of this Report as permitted by Item 7(b)(2) of Form 8-K.

(c) Exhibits

The following Exhibits to this report are filed herewith:

Exhibit No.	Description
10.1	Matthews International Corporation, Empire Stock Corp., and The York Group, Inc., Stock Purchase Agreement, dated as of May 24, 2001
10.2	Matthews International Corporation, Empire Stock Corp., The York Group, Inc., York Bronze Company and OMC Industries, Inc., Asset Purchase Agreement, dated as of May 24, 2001
10.3	Agreement And Plan Of Merger By And Among Matthews International Corporation, Empire Merger Corp. and The York Group, Inc., dated as of May 24, 2001
99.1	Press Release - Commemorative Products
99.2	Press Release - Merger

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MATTHEWS INTERNATIONAL CORPORATION
(Registrant)

By Edward J. Boyle

Edward J. Boyle
Vice President, Accounting &
Finance, Treasurer and Secretary

Date: June 8, 2001

EXHIBIT 10.1

MATTHEWS INTERNATIONAL CORPORATION

EMPIRE STOCK CORP.

AND

THE YORK GROUP, INC.

STOCK PURCHASE AGREEMENT

Dated as of May 24, 2001

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STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT ("Agreement") dated as of May 24, 2001, is entered into by and among MATTHEWS INTERNATIONAL CORPORATION, a Pennsylvania corporation ("Matthews"), EMPIRE STOCK CORP., a Delaware corporation ("Empire"), and THE YORK GROUP, INC., a Delaware corporation ("York"). Capitalized terms used in this Agreement which are not otherwise defined herein are defined in Article VI hereof.

WITNESSETH:

WHEREAS, Empire is a wholly-owned subsidiary of Matthews; and

WHEREAS, York is the sole shareholder of York Bronze Company, a Delaware corporation ("York Bronze"), and of OMC Industries, Inc., a Texas corporation ("OMC"); and

WHEREAS, York Bronze and OMC collectively own all of the issued and outstanding shares of common stock and preferred stock of York Bronze Trade Company, a West Virginia corporation ("Sub 1") (each of York Bronze and OMC are referred to at times herein as a "Subsidiary" and collectively as the "Subsidiaries," which term shall also include any of their respective subsidiaries, including Sub 1); and

WHEREAS, on May 21, 2001, York Bronze and OMC transferred and conveyed to Sub 1 approximately 75% of the collective assets and Sub 1 assumed all liabilities of York Bronze and OMC (not including the Excluded Assets, as defined herein) in exchange for all of the issued and outstanding shares of common stock and of preferred stock of Sub 1 (the "Sub 1 Asset Transfer"); and

WHEREAS, prior to the date hereof, Empire acquired from York Bronze and OMC all of the remaining assets of York Bronze and OMC (other than the Excluded Assets, the Sub 1 Common Stock and the Sub 1 Preferred Stock, as defined herein) pursuant to that certain Asset Purchase Agreement dated as of May 24, 2001 (the "Asset Purchase Agreement") among Empire, York Bronze and OMC; and

WHEREAS, York wishes to sell to Empire, and Empire wishes to purchase from York, approximately 75% of the issued and outstanding shares of the capital stock of York Bronze and of OMC upon the terms and conditions set forth herein; and

WHEREAS, as an inducement for York to sell approximately 75% of the capital stock of York Bronze and of OMC to Empire, Matthews has agreed to enter into this Agreement and to make representations, warranties, covenants, acknowledgments and agreements set forth herein to York and for York's benefit hereunder.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein and intending to be legally bound hereby, the parties hereto covenant and agree as follows:

ARTICLE I
Purchase of Stock; Consideration

1.01 Stock Purchase. In reliance upon the representations and warranties contained herein and on the terms and conditions of this Agreement, York hereby sells, conveys, assigns, transfers and delivers to Empire, free and

clear of all Liens, and Empire hereby purchases from York, for the consideration specified in Section 1.02 hereof, 755.42725 shares (the "York Bronze Purchased Shares") of the common stock of York Bronze, par value $0.001 per share (the "York Bronze Common Stock"), and 755.55556 shares (the "OMC Purchased Shares") of the common stock of OMC, par value $0.10 per share (the "OMC Common Stock"). The York Bronze Purchased Shares and the OMC Purchased Shares are collectively referred to as the "Purchased Stock". The Purchased Stock represents 75.542725% of all of the issued and outstanding shares of York Bronze Common Stock and 75.555556% of all of the issued and outstanding shares of the OMC Common Stock.

1.02 Consideration. Empire hereby purchases the Purchased Stock and, in exchange therefor, concurrently herewith delivers to York via wire transfer in

immediately available funds Thirty Two Million Seven Hundred Ten Thousand Dollars ($32,710,000) in consideration of the York Bronze Common Stock Three Million Four Hundred Thousand Dollars ($3,400,000) in consideration of the OMC Common Stock (the "Purchase Price").

1.03 Stock Certificates; Corporate Records. York hereby delivers to Empire certificates for the York Bronze Purchased Shares and the OMC Purchased Shares duly issued and registered in the name of Empire or accompanied by stock powers duly executed in blank, free and clear of all Liens. York shall also deliver promptly after the date hereof the minute books, stock books, financial records, customer lists and other corporate records of each of the Subsidiaries.

ARTICLE II
Representations and Warranties of York

York represents and warrants to Empire and to Matthews that the statements contained in this Article II are correct and complete as of the date of the Sub 1 Asset Transfer, the date of the closing of the transactions contemplated by the Asset Purchase Agreement and also immediately prior to the execution and effectiveness of this Agreement, except (i) as contemplated by the Asset Purchase Agreement or any documents, disclosure schedules or transactions related thereto or contemplated thereby, (ii) as may result from or may be contemplated by the Sub 1 Asset Transfer or the Liquidation (as defined below) of York Bronze or OMC, and (iii) that each of the representations, warranties and statements in this Article II are qualified in their entirety by the Disclosure Schedules and the information set forth or referred to therein. Notwithstanding anything to the contrary in this Agreement, York makes no representations nor any warranties respecting the completeness, legality, effects or consequences of the Sub 1 Asset Transfer or the Liquidation of York Bronze and OMC.

2.01 Organization and Authority. (a) York is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. York has full corporate power and authority to own and lease the property and assets it now owns and leases and to carry on its business as and where such property and assets are now owned or leased and such business is now conducted. The copies of the certificate of incorporation and bylaws of York, which have previously been delivered to Empire and/or to Matthews, are complete and correct and in either case have not been amended since March 31, 2001. York has the corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. There are no dissolution, liquidation or bankruptcy proceedings pending, contemplated by or, to York's knowledge, threatened against York.

(b) York Bronze is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. York Bronze (i) has full corporate power and authority to own and lease the property and assets it now owns and leases and to carry on its business as and where such property and assets are now owned or leased and such business is now conducted and (ii) except as set forth on Schedule 2.01(b), has not owned and does not now own directly or indirectly any debt or equity securities issued by any other corporation, or any interest in any partnership, joint venture or other business enterprise. Schedule 2.01(b) sets forth a true and complete list of each jurisdiction in which York Bronze is qualified to do business as a foreign corporation. The copies of the certificate of incorporation and bylaws of York Bronze, which have previously been delivered to Empire and/or to Matthews, are complete and correct and in either case have not been amended since March 31, 2001. There are no bankruptcy proceedings pending or, to York's knowledge, threatened against York Bronze.

(c) OMC is a corporation duly organized, validly existing and in good standing under the laws of the State of Texas. OMC (i) has full corporate power and authority to own and lease the property and assets it now owns and leases and to carry on its business as and where such property and assets are now owned or leased and such business is now conducted and (ii) except as set forth on Schedule 2.01(c), has not owned and does not now own directly or indirectly any debt or equity securities issued by any other corporation, or any interest in any partnership, joint venture or other business enterprise. Schedule 2.01(c) sets forth a true and complete list of each jurisdiction in which OMC is qualified to do business as a foreign corporation. The copies of the

certificate of incorporation and bylaws of OMC, which have previously been delivered to Empire and/or to Matthews, are complete and correct and in either case have not been amended since March 31, 2001. There are no bankruptcy proceedings pending or, to York's knowledge, threatened against OMC.

(d) Sub 1 is a corporation duly organized and validly existing and in good standing under the laws of the State of West Virginia. Sub 1 has full corporate power and corporate authority to own and lease the property and assets it now owns and leases and to carry on its business as and where such property and assets are now owned or leased and such business is now conducted. Except as set forth on Schedule 2.01(d), Sub 1 has not owned and does not now own directly or indirectly any debt or equity securities issued by any other corporation, or any interest in any partnership, joint venture or other business enterprise. Schedule 2.01(d) sets forth a true and complete list of each jurisdiction in which Sub 1 is qualified to do business as a foreign corporation. The copies of the certificate of incorporation and bylaws of Sub 1 which have previously been delivered to Empire and/or to Matthews, are complete and correct as of the date hereof. There are no dissolution, liquidation or bankruptcy proceedings pending, contemplated by or, to York's, York Bronze's or OMC's knowledge, threatened against Sub 1.

2.02 Due Authorization. The execution and delivery by York of this Agreement and each of the other Transaction Documents to which it is a party, the performance by it of all the terms and conditions hereof and thereof to be performed by it and the consummation of the transactions contemplated hereby and thereby, have been duly authorized and approved by all necessary corporate proceedings on the part of York. No other corporate proceeding on the part of York is necessary to approve and adopt this Agreement and each of the other Transaction Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. This Agreement and each of the other Transaction Documents to which it is a party has been duly and validly executed and delivered by York and constitute the legal, valid and binding

obligations of York enforceable against York in accordance with their respective terms, subject to bankruptcy, insolvency or other similar laws of general application affecting creditors' rights and general principles of equity.

2.03 Capitalization; Shares. (a)(i) The entire authorized capital stock of York Bronze consists of 10,000 shares of York Bronze Common Stock, of which 1,000 shares are issued and outstanding. Except as set forth on Schedule 2.03(a), all such outstanding shares of York Bronze Common Stock are validly issued, fully paid, nonassessable and are owned beneficially and of record by York, free and clear of all Liens. Except as set forth on Schedule 2.03(a),

(i) there are outstanding no securities, subscriptions, options, warrants, phantom stock rights, calls or rights of any kind, or rights with respect to convertible debt, issued or granted by, or binding upon, York or York Bronze with respect to any shares of capital stock of York Bronze, and (ii) there are no shareholder agreements or similar agreements with respect to York Bronze.

(ii) Except as set forth on Schedule 2.03(a), York has good and indefeasible title to the York Bronze Purchased Shares and has the unrestricted right and power to sell and transfer the York Bronze Purchased Shares to Empire in the manner contemplated herein, free and clear of all Liens, and the transfer of such York Bronze Purchased Shares by York to Empire will transfer to Empire good and valid title to such York Bronze Purchased Shares free and clear of all Liens. The York Bronze Purchased Shares represent 75.542725% of all issued and outstanding capital stock of York Bronze.

(b)(i) The entire authorized capital stock of OMC consists of 75,000 shares of OMC Common Stock, of which 1,000 shares are issued and outstanding. All such outstanding shares of OMC Common Stock are validly issued, fully paid, nonassessable and are owned beneficially and of record by York, free and clear of all Liens, except as set forth on Schedule 2.03(b). Except as set forth on Schedule 2.03(b), (i) there are outstanding no securities, subscriptions, options, warrants, phantom stock rights, calls or rights of any kind, or rights with respect to convertible debt, issued or granted by, or binding upon, York or OMC with respect to any shares of capital stock of OMC, and (ii) there are no shareholder agreements or similar agreements with respect to OMC.

(ii) Except as set forth on Schedule 2.03(b), York has good and indefeasible

title to the OMC Purchased Shares and has the unrestricted right and power to sell and transfer all of its shares of the OMC Purchased Shares to Empire in the manner contemplated herein, free and clear of all Liens, and the transfer of such OMC Purchased Shares by York to Empire will transfer to Empire good and valid title to such OMC Purchased Shares free and clear of all Liens. The OMC Purchased Shares represent 75.555556% of the issued and outstanding capital stock of OMC.

(c)(i) The entire authorized capital stock of Sub 1 consists of 10,000,000 shares of common stock, par value $1.00 per share (the "Sub 1 Common Stock") of which 3,000,000 shares are issued and outstanding, and 50,000,000 shares of Non-Qualified Series A Preferred Stock, par value $1.00 per share (the "Sub 1 Preferred Stock") of which 32,900,000 shares are issued and outstanding. The Sub 1 Common Stock and the Sub 1 Preferred Stock are herein referred to collectively as the "Sub 1 Stock." All such outstanding shares of Sub 1 Stock are validly issued, fully paid, nonassessable and are owned beneficially and of record by York Bronze and by OMC, free and clear of all Liens, except as set forth on Schedule 2.03(c). Except as set forth on

Schedule 2.03(c), (i) there are outstanding no securities, subscriptions, options, warrants, phantom stock rights, calls or rights of any kind, or rights with respect to convertible debt, issued or granted by, or binding upon York Bronze, OMC or Sub 1 with respect to any shares of capital stock of Sub 1, and (ii) there are no shareholder agreements or similar agreements with respect to Sub 1.

(ii) York Bronze and OMC have good and marketable title to the Sub 1 Stock and have the unrestricted right and power to sell and transfer all of their shares of the Sub 1 Stock, except as set forth on Schedule 2.03 (c).

2.04 Absence of Conflicts. Except as a result of the Sub 1 Asset Transfer or as set forth on Schedule 2.04, neither the execution and delivery by York of this Agreement and each of the other Transaction Documents to which it is a party, the compliance by York with the terms and conditions hereof and thereof, nor the consummation by York of the transactions contemplated hereby or thereby will:

(a) conflict with any of the terms, conditions or provisions of the certificate of incorporation or bylaws of York or of any of the Subsidiaries,

(b) violate any provision of, or require any consent, authorization or approval under, any law or administrative regulation or any judicial, administrative or arbitration order, award, judgment, writ, injunction or decree applicable to, or any Permit issued to, or notice to or filing with any Governmental Authority with respect to York or to any of the Subsidiaries,

(c) to York's knowledge, violate, conflict with, result in a breach of any provision of or the loss of any benefit under, constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, result in the termination of or a right of termination or cancellation under, accelerate the performance required by, or result in the creation of any Lien upon any of the properties or assets of any of the Subsidiaries under, or require any consent, authorization or approval under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, Lien or other agreement, instrument for borrowed money, any guarantee of any agreement or instrument for borrowed money or any license, lease or any other agreement or instrument to which York or any of the Subsidiaries is a party, or by which it or any of its properties or assets may be bound or affected,

(d) result in the creation of any Lien upon any of the properties or assets of any of the Subsidiaries, or

(e) give to others any material rights or interests (including rights of purchase, termination, cancellation or acceleration), under any such indenture, mortgage, Lien, lease, agreement or instrument; except as would not have a Material Adverse Effect.

2.05 Financial Information. York has heretofore furnished to Empire and/or to Matthews the financial statements and information with respect to each of the Subsidiaries described on Schedule 2.05 (the "Financial Statements"). The Financial Statements, in the context of their original use as part of the

financial statements of the consolidated group of which York is the parent, and subject to such consolidated financial statements and the notes thereto as included in York's applicable SEC filings under the Securities Exchange Act of 1934, as amended, complied as to form in all material respects with applicable accounting requirements, were prepared in accordance with generally accepted

accounting principles ("GAAP") consistently applied during the periods involved and fairly present:

(a) the balance sheet of York Bronze and OMC as of March 31, 2001 and as of December 31, 2000 and 1999; and

(b) the results of operations and changes in financial position of York Bronze and OMC for the three-month period ending March 31, 2001 and for the fiscal year ended December 31, 2000, and York Bronze for the fiscal year ended December 31, 1999.

The books and records of each of the Subsidiaries from which the Financial Statements were prepared properly and accurately reflect the transactions and activities which they purport to record except as would not have a Material Adverse Effect. Except as disclosed on Schedule 2.05 or as required by GAAP, neither York nor any of the Subsidiaries has, since March 31, 2001, made any change in the accounting practices or policies applied in the preparation of the Financial Statements.

2.06 Absence of Material Changes. Except as set forth on Schedule 2.06 or the Financial Statements, since December 31, 2000, there has not been:

(a) any Material Adverse Effect with respect to any of the Subsidiaries, or any event, condition or state of facts which could be reasonably expected (i) to have a Material Adverse Effect on the business, operations, properties or assets of any of the Subsidiaries, or (ii) to impair the ability of York to perform its obligations under this Agreement,

(b) any damage, destruction, condemnation or loss, whether covered by insurance or not, which has had, or could reasonably be expected to have, a Material Adverse Effect on the business, operations, properties or assets of any of the Subsidiaries, or

(c) any material strikes or work stoppages against the operations of any of the Subsidiaries relating to the conduct of its business or any injunction, order, writ or decree of any Governmental Authority against such strikes or work stoppages.

2.07 Title to Properties; Liens.
(a) Real Property. (i) Schedule 2.07(a)(i) identifies all interests of York Bronze in fee, in leaseholds under leases, and in easements, licenses and other interests in real property owned by York Bronze (the "York Bronze Real Property"). Except for the York Bronze Real Property, no other real property is owned by York Bronze. Schedule 2.07(a)(i) identifies, and York has heretofore made available to Empire and/or to Matthews true and complete copies of, all deeds, leases or other instruments, in each case as in effect on the date hereof (the "York Bronze Real Property Instruments"), which evidence the interests of York Bronze in the York Bronze Real Property. Except as set forth in Schedule 2.07(a)(i), all of such deeds, leases and other instruments are in full force and effect, and there is no default, nor any event which with notice or the lapse of time or both could become a default, under any such deeds, leases or other instruments, by York Bronze or any other party thereto except as would not have a Material Adverse Effect. Except as set forth in Schedule 2.07(a)(i), York Bronze has good title to the York Bronze Real Property, free and clear of any and all Liens other than Permitted Liens, and no consent, waiver, approval or authorization is required under any of the York Bronze Real Property Instruments as a result of the

execution of this Agreement or the consummation of the transactions contemplated hereby.

(ii) Schedule 2.07(a)(ii) identifies all interests of OMC in fee, in leaseholds under leases, and in easements, licenses and other interests in real property owned by OMC (the "OMC Real Property"). Except for the OMC Real Property, no other real property is owned by OMC. Schedule 2.07(a)(ii)

identifies, and York has heretofore made available to Empire and/or to Matthews true and complete copies of, all deeds, leases or other instruments, in each case as in effect on the date hereof (the "OMC Real Property Instruments"), which evidence the interests of OMC in the OMC Real Property. Except as set forth in Schedule 2.07(a)(ii), all of such deeds, leases and other instruments are in full force and effect, and there is no default, nor any event which with notice or the lapse of time or both could become a default, under any such deeds, leases or other instruments, by OMC or any other party thereto except as would not have a Material Adverse Effect. Except as set forth in Schedule 2.07(a)(ii), OMC has good title to the OMC Real Property, free and clear of any and all Liens other than Permitted Liens and no consent, waiver, approval or authorization is required under any of the OMC Real Property Instruments as a result of the execution of this Agreement or the consummation of the transactions contemplated hereby, each except as would not have a Material Adverse Effect.

(iii) Schedule 2.07(a)(iii) identifies all interests of Sub 1 in fee, in leaseholds under leases, including such easements, licenses and other interests in real property owned by Sub 1 (the "Sub 1 Real Property"). Except for the Sub 1 Real Property, no other real property is owned by Sub 1. Schedule 2.07(a)(iii) identifies, and York has heretofore made available to Empire and/or to Matthews true and complete copies of, all deeds, leases or other instruments, in each case as in effect on the date hereof (the "Sub 1 Real Property Instruments"), which evidence the interests of Sub 1 in the Sub 1 Real Property. Except as set forth in Schedule 2.07(a)(iii), all of such deeds, leases and other instruments are in full force and effect, and there is no default, nor any event which with notice or the lapse of time or both could become a default, under any such deeds, leases or other instruments, by Sub 1 or any other party thereto except as would not have a Material Adverse Effect. Except as set forth in Schedule 2.07(a)(iii), Sub 1 has good title to the Sub 1 Real Property, free and clear of any and all Liens other than Permitted Liens and no consent, waiver, approval or authorization is required under any of the Sub 1 Real Property Instruments as a result of the execution of this Agreement or the consummation of the transactions contemplated hereby, each except as would not have a Material Adverse Effect.

(iv) Notwithstanding the foregoing provisions, representations and warranties of this Section 2.07, interests in fee, in leaseholds under leases, and in easements, licenses and other interests in real property that are disclosed in this Agreement or the Disclosure Schedules as York Bronze Real Property, OMC Real Property or Sub 1 Real Property may be titled to or held or owned by any of the Subsidiaries.

(b) Buildings and Equipment. Schedule 2.07(b) hereto identifies separately: (i) all machinery and equipment owned or leased by York Bronze as lessee having a current replacement cost in excess of $50,000 and the location thereof (the "York Bronze Equipment"),

(ii) all machinery and equipment owned or leased by OMC as lessee having a current replacement cost in excess of $50,000 and the location thereof (the "OMC Equipment"),

(iii) all machinery and equipment owned or leased by Sub 1 as lessee having a current replacement cost in excess of $50,000 and the location thereof (the "Sub 1 Equipment'),

(iv) all leases and other instruments which evidence the interests of York Bronze in the York Bronze Equipment and any other equipment leases under which York Bronze is lessee and which provide for aggregate rental payments after May 1, 2001 in excess of $50,000 (the "York Bronze Equipment Instruments"),

(v) all leases and other instruments which evidence the interests of OMC in the OMC Equipment and any other equipment leases under which OMC is lessee and which provide for aggregate rental payments after May 1, 2001 in excess of $50,000 (the "OMC Equipment Instruments"),

(vi) all leases and other instruments which evidence the interest of Sub 1 in the Sub 1 Equipment and any other equipment leases under which Sub 1 is lessee and which provide for the aggregate rental payments after May 1, 2001 in excess of $50,000 (the "Sub 1 Equipment Instruments"); and

(vii) any other equipment used primarily in the business of the Subsidiaries,

but not owned or leased by the Subsidiaries.

York has, to its knowledge, heretofore delivered to Empire and/or to Matthews true and complete copies of all York Bronze Equipment Instruments, OMC Equipment Instruments and Sub 1 Equipment Instruments, in each case as in effect on the date hereof. Except as set forth in Schedule 2.07(b), all such Equipment Instruments are in full force and effect and there is no default, nor any event which with notice or the lapse of time or both will become a default, under any such Equipment Instruments, by York Bronze, OMC or Sub 1 (as the case may be) or by any other party thereto except as would not have a Material Adverse Effect. Except as set forth in Schedule 2.07(b), (A) York Bronze has good title to the York Bronze Equipment it owns, free and clear of any and all Liens other than Permitted Liens, and no consent, waiver, approval or authorization is required under any of the York Bronze Equipment Instruments as a result of the execution of this Agreement or the consummation of the transactions contemplated hereby except as would not have a Material Adverse Effect, (B) OMC has good title to the OMC Equipment it owns, free and clear of any and all Liens other than Permitted Liens, and no consent, waiver, approval or authorization is required under any of the OMC Equipment Instruments as a result of the execution of this Agreement or the consummation of the transactions contemplated hereby except as would not have a Material Adverse Effect and (C) Sub 1 has good title to the Sub 1 Equipment it owns, free and clear of all Liens other than Permitted Liens. None of the buildings and plants, and none of the York Bronze Equipment, the OMC Equipment nor the Sub 1 Equipment, encroaches on the property of others, except as would not have a Material Adverse Effect.

(c) Other Assets. Except as set forth in Schedule 2.07(c), all other properties and assets of the Subsidiaries are owned by one or more of the Subsidiaries, free and clear of any and all Liens other than Permitted Liens.

2.08 Material Contracts and Agreements. Schedule 2.08 identifies the following categories of material contracts, commitments and agreements of the Subsidiaries not otherwise identified in any other Schedule:
(a) contracts with any current officer or director of York or of any of the Subsidiaries;

(b) contracts for the sale of any of the business, operations, properties or assets of any of the Subsidiaries, other than in the ordinary course of business, or for the grant to any Person of any preferential rights to purchase any of the business, operations, properties or assets of any of the Subsidiaries, other than inventory in the ordinary course of business;

(c) contracts containing covenants of any of the Subsidiaries not to compete in any line of business or with any Person in any geographical area or covenants of any other Person not to compete with any of the Subsidiaries in any line of business or in any geographical area;

(d) all other agreements, contracts or instruments for any of the Subsidiaries which, (i) involve purchases after the date hereof of more than $50,000 from any one seller or group of related sellers, or (ii) involve sales or leases after the date hereof of more than $50,000 to any one buyer or lessee or group of related buyer or lessees,

(e) all other agreements contracts or instruments which are contracts, commitments or agreements or involve transactions with any Affiliate or subsidiary of York other than any of the Subsidiaries, or

(f) all agreements, contracts, commitments or instruments otherwise material to the business, operations, properties or assets of any of the Subsidiaries. The contracts, commitments and agreements listed on Schedule 2.08 are hereinafter called the "Contracts." York has heretofore made available to Empire and/or to Matthews true and complete copies of all Contracts as in effect on the date hereof. Except as set forth in Schedule 2.08 or except as would not have a Material Adverse Effect, all Contracts are in full force and effect (other than those which have been duly performed), and are the legal, valid and binding obligations of the respective Subsidiary, enforceable against such Subsidiary in accordance with their respective terms. Except as set forth on Schedule 2.08, there is no default, nor any event which with notice or the lapse of time or both will become a default, under any of the Contracts, by the respective Subsidiary or any other party thereto, and no consent, waiver, approval or authorization is required under any of the

Contracts as a result of the execution of this Agreement or the consummation of the transactions contemplated hereby except as would not have a Material Adverse Effect.

2.09 Employment Agreements. Schedule 2.09 identifies:
(a) each management or employment contract or contract for personal services with any officer, consultant, salesman or other non-union employee or agent of any of the Subsidiaries which is not by its terms terminable at will or on less than 30 days' notice without penalty,

(b) each officer, consultant, salesman or other non-union employee or agent of any of the Subsidiaries receiving as at the date hereof compensation (including bonuses and commissions, if any) at an annual rate of $60,000 or more, specifying the rate of such compensation (including such bonuses and commissions) and the positions held by such persons, and

(c) each collective bargaining agreement or other agreement covering unionized or hourly employees to which any of the Subsidiaries is a party or which covers employees of any of the Subsidiaries.

The contracts and agreements identified on Schedule 2.09 are hereinafter called the "Employment Contracts." York has heretofore made available to Empire and/or to Matthews true and complete copies of each of the Employment Contracts as in effect on the date hereof. Except as set forth in Schedule 2.09, all Contracts are in full force and effect (other than those which have been duly performed), and are the legal, valid and binding obligations of the respective Subsidiary, enforceable against such Subsidiary in accordance with their respective terms. Except as listed on Schedule 2.09, there are no material disputes presently subject to any grievance procedure, arbitration or litigation under the Employment Contracts nor is there any material default, or any event which with notice or the lapse of time or both will become a material default, under the Employment Contracts, by the respective Subsidiary or, to the knowledge of York, by any other party thereto. Other than as listed on Schedule 2.09, none of the Subsidiaries is a party to any oral or written agreement or plan, including any employment agreement, severance agreement, retention agreement, stock option plan, stock appreciation rights plan, restricted stock plan or stock purchase plan, any of the benefits of which will be increased, the vesting of the benefits of which will be accelerated, or which will become payable or which at the participant's or holder's option may become payable, due to or by the occurrence of any of the transactions contemplated by this Agreement or the value of any of the benefits of which will, or may be the option of the holder or participant, be calculated on the basis of any of the transactions contemplated by this Agreement.

Except as disclosed on Schedule 2.09, none of the Subsidiaries is a party to any collective bargaining agreement or other labor agreement with any union or labor organization and no union or labor organization has been recognized by any of the Subsidiaries as an exclusive bargaining representative for employees of such Subsidiary. None of the Subsidiaries is the subject of any material proceeding asserting that it has committed an unfair labor practice or is seeking to compel it to bargain with any labor union or labor organization, nor is there pending or threatened, nor has there been for the past three years, any labor strike, dispute, walkout, work stoppage, slow-down or lockout involving any of the Subsidiaries, except in each case as would not, individually or in the aggregate, have a Material Adverse Effect .

2.10 Employee Benefit Plans. (a) Schedule 2.10 contains a list of each Employee Benefit Plan covering employees of the Subsidiaries. With respect to each such Plan, York has made available to Empire and/or to Matthews a true and correct copy of (i) the most recent annual report (Form 5500) filed with the IRS, (ii) such Employee Benefit Plan and all amendments thereto, (iii) each trust agreement, insurance contract or administration agreement relating to such Employee Benefit Plan, (iv) the most recent summary plan description for each Employee Benefit Plan for which a summary plan description is required, (v) the most recent actuarial report or valuation relating to an Employee Benefit Plan subject to Title IV of ERISA, (vi) the most recent determination letter, if any, issued by the IRS with respect to any Employee Benefit Plan intended to be qualified under section 401(a) of the Code, (vii) any request for a determination currently pending before the IRS, (viii) all correspondence with the IRS, the Department of Labor or the PBGC relating to

any outstanding controversy, and (ix) all related trust agreements, insurance contracts or other funding agreements which implement each such Employee Benefit Plan. Each Employee Benefit Plan complies with ERISA, the Code and all other applicable statutes and governmental rules and regulations except to the extent that noncompliance would not have a Material Adverse Effect on the Subsidiaries. Except as set forth in Schedule 2.10, (i) no "reportable event" (within the meaning of Section 4043 of ERISA) has occurred within the past

three years with respect to any Employee Benefit Plan which could result in a material liability to any of the Subsidiaries, (ii) none of the Subsidiaries nor any of their respective ERISA Affiliates has withdrawn from any Multiemployer Plan at any time or instituted, or is currently considering taking, any action to do so, and (iii) no action has been taken, or is currently being considered, to terminate any Employee Benefit Plan subject to Title IV of ERISA.

(b) There has been no failure to make any contribution or pay any amount due to any Employee Benefit Plan as required by Section 412 of the Code, Section 302 of ERISA, or the terms of any such Plan, and no Employee Benefit Plan, nor any trust created thereunder, has incurred any "accumulated funding deficiency" (as defined in Section 302 of ERISA), whether or not waived.

(c) With respect to Employee Benefit Plans, no event has occurred and there exists no condition or set of circumstances in connection with which any of the Subsidiaries would be subject, under the terms of such Employee Benefit Plans, ERISA, the Code or any other applicable law, to any liability that would have a Material Adverse Effect on the Subsidiaries. Except as set forth on Schedule 2.10, all Employee Benefit Plans that are intended to be qualified under Section 401(a) of the Code have been determined by the IRS to be so qualified, or a timely application for such determination is now pending or will be filed on a timely basis. None of the Subsidiaries nor any of their respective ERISA Affiliates has been notified by any Multiemployer Plan that such Multiemployer Plan is currently in reorganization or insolvency under and within the meaning of Section 4241 or 4245 of ERISA or that such Multiemployer Plan intends to terminate or has been terminated under Section 4041A of ERISA. Neither the termination of any Multiemployer Plan nor the complete or partial withdrawal by any of the Subsidiaries or any of their respective ERISA Affiliates from any Multiemployer Plan would result in any material liability to any of the Subsidiaries or to any of their respective ERISA Affiliates. Except as set forth on Schedule 2.10, none of the Subsidiaries has any liability or obligation under any welfare plan to provide life insurance or medical benefits after termination of employment to any employee or dependent other than as required by Part 6 of Title 1 of ERISA.

(d) As used in this Agreement, (i) "Employee Benefit Plan" means a "pension plan" (as defined in Section 3(2) of ERISA (other than a Multiemployer Plan)), a "welfare plan" (as defined in Section 3(1) of ERISA), or any material bonus, profit sharing, deferred compensation, incentive compensation, stock ownership, stock purchase, stock option, phantom stock, vacation, severance, death benefit, insurance or other plan, arrangement or understanding, in each case established or maintained or contributed to by any of the Subsidiaries or any of their respective ERISA Affiliates or as to which any of the Subsidiaries or any of their respective ERISA Affiliates or otherwise may have any liability, whether or not covered by ERISA), (ii) "Multiemployer Plan" means a "multiemployer plan" (as defined in Section 4001(a)(3) of ERISA) to which any of the Subsidiaries or any of their respective ERISA Affiliates is or has been obligated to contribute or otherwise may have any liability, and (iii) with respect to any person, "ERISA Affiliate" means any corporation or trade or business (whether or not incorporated) which is under common control, or otherwise would be considered a single employer with such person pursuant to Section 414(b), (c), (m) or (o) of the Code and the regulations promulgated thereunder or pursuant to Section 4001(b) of ERISA and the regulations promulgated thereunder.

(e) Schedule 2.10 contains a list of all (i) severance and employment agreements with officers of each of the Subsidiaries, (ii) severance programs and policies of each of the Subsidiaries with or relating to its employees and (iii) plans, programs, agreements and other arrangements of each of the Subsidiaries with or relating to its employees which contain change of control or similar provisions, in each case involving a severance or employment

agreement or arrangement with an individual officer or employee, only to the extent such agreement or arrangement provides for minimum annual payments in excess of $50,000. York has provided to Empire and/or to Matthews a true and complete copy of each of the foregoing.

(f) Except as otherwise set forth on Schedule 2.10, the consummation of the transactions contemplated by this Agreement will not accelerate the time of payment or vesting under any Employee Benefit Plan of the Subsidiaries nor obligate any of the Subsidiaries or Empire to provide any current or former officer, director or employee of York or any of the Subsidiaries with severance pay, unemployment compensation or similar payment.

2.11 Patents, Trademarks, Copyrights, Licenses and Secrecy Agreements. (a) For the purposes of this Agreement, the following terms have the following definitions:

"Intellectual Property" shall mean any or all of the following and all worldwide common law and statutory rights in, arising out of, or associated therewith that are used in the ordinary course of the business of York or a Subsidiary or incorporated into current Subsidiary Products: (i) patents and applications therefor and all reissues, divisions, renewals, extensions, provisionals, continuations and continuations-in-part thereof ("Patents"); (ii) inventions (whether patentable or not), invention disclosures, improvements, trade secrets, proprietary information, know how, technology, technical data and customer lists, and all documentation relating to any of the foregoing; (iii) copyrights, copyrights registrations and applications therefor, and all other rights corresponding thereto throughout the world; (iv) domain names, uniform resource locators ("URLs") and other names and locators associated with the Internet (collectively, "Domain Names"); (v) industrial designs and any registrations and applications therefor; (vi) trade names, logos, common law trademarks and service marks, trademark and service mark registrations and applications therefor (collectively, "Trademarks"); (vii) all databases and data collections and all rights therein; (viii) all moral and economic rights of authors and inventors, however denominated, and (ix) any similar or equivalent rights to any of the foregoing (as applicable). "York Bronze Intellectual Property" shall mean any Intellectual Property that is owned by, or exclusively licensed to, York Bronze. "OMC Intellectual Property" shall mean any Intellectual Property that is owned by, or exclusively licensed to, OMC. "Sub 1 Intellectual Property" shall mean any Intellectual Property that is owned by, or exclusively licensed to, Sub 1. "Subsidiary Intellectual Property" shall mean, collectively, the York Bronze Intellectual Property, the OMC Intellectual Property and the Sub 1 Intellectual Property.

"Registered Intellectual Property" means all Intellectual Property that is the subject of an application, certificate, filing, registration or other document in the name of York or a Subsidiary issued, filed with, or recorded by any private, state, government or other legal authority. "York Bronze Registered Intellectual Property" shall mean all of the Registered Intellectual Property owned by, or filed in the name of, York Bronze. "OMC Registered Intellectual Property" shall mean all of the Registered Intellectual Property owned by, or filed in the name of, OMC. "Sub 1 Registered Intellectual Property" shall

mean all of the Registered Intellectual Property owned by, or filed in the name of, Sub 1. "Subsidiary Registered Intellectual Property" shall mean, collectively, the York Bronze Registered Intellectual Property, the OMC Registered Intellectual Property and the Sub 1 Registered Intellectual Property.

"York Bronze Products" means all current versions of products or service offerings of York Bronze. "OMC Products" means all current versions of products or service offerings of OMC. "Sub 1 Products" means all current versions of products or service offerings of Sub 1. "Subsidiary Products" means, collectively, the York Bronze Products, the OMC Products and the Sub 1 Products.

Except as disclosed in Schedule 2.11 or except as would not have a Material Adverse Effect, no Subsidiary Intellectual Property or Subsidiary Product is subject to any proceeding or outstanding decree, order, judgment, contract, license, agreement or stipulation restricting in any manner the use, transfer or licensing thereof by any of the Subsidiaries, or which may affect the validity, use or enforceability of such Subsidiary Intellectual Property or

Subsidiary Product.

Each item of Subsidiary Registered Intellectual Property, to York's knowledge, is valid and subsisting as provided by law, all necessary registration, maintenance and renewal fees currently due in connection with such Subsidiary Registered Intellectual Property have been made an all necessary documents, recordations and certificates in connection with such Subsidiary Registered Intellectual Property have been filed with the relevant patent, copyright, trademark or other authorities in the United States for the purposes of maintaining such Subsidiary Registered Intellectual Property, except as would not have a Material Adverse Effect.

(b) Except as disclosed on Schedule 2.11, York Bronze or another Subsidiary owns and has good title to, each material item of York Bronze Intellectual Property, free and clear of any Lien (excluding non-exclusive licenses and related restrictions granted in the ordinary course); and York Bronze or another Subsidiary is the owner or licensee of all Trademarks contained in the York Bronze Intellectual Property. Without limiting the foregoing, (i) York Bronze or another Subsidiary owns or is the licensee of all copyrighted works that are York Bronze Products or which York Bronze otherwise purports to own and (ii) except as, individually or in the aggregate, could not reasonable be expected to have a Material Adverse Effect, to the knowledge of York, Patents held by third parties, excluding the Subsidiaries, would not be infringed by any York Bronze Products.

(c) Except as further disclosed on Schedule 2.11, OMC or another Subsidiary owns and has good title to, each material item of OMC Intellectual Property, free and clear of any Lien (excluding non-exclusive licenses and related restrictions granted in the ordinary course); and OMC or another Subsidiary is the owner or licensee of all Trademarks contained in the OMC Intellectual Property. Without limiting the foregoing, (i) OMC or another Subsidiary owns or is the licensee of all copyrighted works that are OMC Products or which OMC otherwise purports to own and (ii) except as, individually or in the aggregate, could not reasonable be expected to have a Material Adverse Effect, to the knowledge of York, Patents held by third parties, excluding the Subsidiaries, would not be infringed by any OMC Products.

(d) Except as further disclosed on Schedule 2.11, Sub 1 or another Subsidiary owns and has good title to, each material item of Sub 1 Intellectual Property, free and clear of any Lien (excluding non-exclusive licenses and related restrictions granted in the ordinary course); and Sub 1 or another Subsidiary is the owner of all Trademarks contained in the Sub 1 Intellectual Property. Without limiting the foregoing (i) Sub 1 or another Subsidiary owns or is the licensee of all copyrighted works that are Sub 1 Products or which Sub 1 otherwise purports to own and (ii) except as, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect, to the knowledge of York, Patents held by third parties, excluding the Subsidiaries, would not be infringed by any Sub 1 Products.

(e) Except as disclosed on Schedule 2.11 or except as would not have a Material Adverse Effect, to the extent that any technology, software or Intellectual Property has been developed or created independently or jointly by a third party for any of the Subsidiaries or is incorporated into any of the Subsidiary Products, a Subsidiary has a written agreement with such third party with respect thereto and has thereby either (i) obtained ownership of or (ii) obtained a perpetual, non-terminable license (sufficient for the conduct of its business as currently conducted and as proposed to be conducted) to all such third party's Intellectual Property in such technology, software or Intellectual Property by operation of law, by valid assignment or by license.

(f) To the knowledge of York, none of the Subsidiaries has transferred ownership of, or granted any exclusive license with respect to, any Intellectual Property that is Subsidiary Intellectual Property, to any third party, or knowingly permitted the Subsidiaries' collective rights in such Subsidiary Intellectual Property to lapse or enter the public domain.

(g) Schedule 2.11 lists all contracts, licenses and agreements to which any of the Subsidiaries is a party and that remain in effect: (i) with respect to Subsidiary Intellectual Property licenses or transferred to any third party resulting in, or which may result in, annual payments of U.S. $20,000 or more to any of the Subsidiaries, or (ii) pursuant to which a third party has

licensed or transferred any Intellectual Property to any of the Subsidiaries, except with respect to generally available commercial Intellectual Property.

(h) To the knowledge of York, the operation of each Subsidiary's business as such business currently is conducted, including (i) such Subsidiary's design, development, manufacture, distribution, reproduction, marketing or sale of the products or services of its business (including Subsidiary Products), and (ii) such Subsidiary's use of any product device or process, has not infringed or misappropriated the Intellectual Property of any third party.

(i) None of the Subsidiaries have received written notice from any third party that the operation of its business or any act, product or service of such Subsidiary infringes or misappropriates the Intellectual Property of any third party or constitutes unfair competition or trade practices under the laws of any jurisdiction, except as disclosed on Schedule 2.11.

(j) To the knowledge of York, no Person has infringed or is infringing or misappropriating any Subsidiary Intellectual Property.

2.12 Trade Secrets. Subject to the license and secrecy agreements listed on Schedule 2.12 hereto, the Subsidiaries collectively have the right to use, free and clear of any claims of others (pending or, to the knowledge of York, threatened) except the other Subsidiaries, all trade secrets, customer lists and technical information being used in their businesses to the extent and on the products on which, or in respect of which, such items are being used.

2.13 Governmental Licenses and Permits; Consents. (a) Except as disclosed in Disclosure Schedules, each Subsidiary (except no representation is made as to Sub 1) is in possession of all franchises, grants, authorizations, licenses, permits, charters, easements, variances, exceptions, consents, certificates, approvals and orders of any Governmental Authority (collectively, "Permits") necessary for such Subsidiary to own, lease and operate its properties or to carry on its business except as would not have a Material Adverse Effect (the "Subsidiary Permits"), and no suspension or cancellation of any of the Subsidiary Permits is pending or, to the knowledge of York, threatened except as would not have a Material Adverse Effect.

(b) No consents or approvals or filings or registrations with any Governmental Authority, or under any third party contract, are required to be made by York or by any of the Subsidiaries or obtained by York or by any of the Subsidiaries in connection with (i) the execution and delivery by York of this Agreement and the other Transaction Documents, and (ii) the consummation by York of the transactions contemplated by this Agreement.

2.14 Indebtedness and Commitments. Schedule 2.14 hereto identifies each indenture, mortgage, promissory note, or other instrument for borrowed money under which any of the Subsidiaries has outstanding any indebtedness, guaranty or liability for borrowed money or the deferred purchase price of property or has the right or obligation to incur any such indebtedness, guaranty or liability in each case in excess of $50,000 (the "Debt Instruments"). York has heretofore made available to Empire and/or to Matthews true and complete copies of each of the Debt Instruments as in effect on the date hereof. Except as set forth in Schedule 2.14 and except as would not have a Material Adverse Effect, there is no event of default or condition or event which, with the giving of notice or the lapse of time or both, could become an event of default under any of the Debt Instruments.

2.15 Taxes. Except as set forth in Schedule 2.15 hereto:
(a) York and each of the Subsidiaries has prepared and executed and duly filed when due all United States Federal, state and other Tax Returns required to be filed by applicable laws and regulations and have duly and timely paid all Taxes or installments thereof that are due with respect to such Tax Returns;

(b) there are no Liens with respect to Taxes upon any of the assets of any of the Subsidiaries, other than Liens with respect to Taxes that are not yet due or remain payable without penalty or are being contested in good faith and by appropriate proceedings;

(c) there are no agreements, waivers or arrangements by York or by any of the Subsidiaries for the extension of the time for the assessment of any amounts of Tax, and no power of attorney granted by York or by any of the Subsidiaries

with respect to any Taxes is currently in effect. No closing agreement under Section 7121 of the Code or any similar provision of any state or local law has been entered into by or with respect to any of the Subsidiaries;

(d) all United States Federal, state and local income Tax Returns of York and each of the Subsidiaries for each year to and including the year ended December 31, 1996 have been examined by or accepted as filed with the relevant Tax authorities and any asserted deficiencies settled and paid;

(e) there have been no deficiencies proposed as a result of the examination of any United Stated Federal, state or other Tax Returns filed by York or by any of the Subsidiaries. No audit or other proceeding by any Governmental Authority is pending or, to the knowledge of York, threatened with respect to any Taxes due from or with respect to York or any of the Subsidiaries or any Tax Return filed by or with respect to York or any of the Subsidiaries, and no assessment of Tax, has been proposed and delivered in writing against York or any of the Subsidiaries or any of their respective assets;

(f) Neither York nor any of the Subsidiaries has filed or consented to the filing of any United States Federal or state consolidated income Tax Return with any other Person (other than a group the common parent of which was York) during the three (3) years immediately preceding the date hereof;

(g) Neither York nor any of the Subsidiaries has any liability or potential liability with respect to any consolidated Tax Return filed or to be filed by any Person (other than a group the common parent of which is York);

(h) Neither York nor any of the Subsidiaries has consented to the application to it of Section 341(f)(2) of the Code; and

(i) Each Subsidiary has duly and timely withheld from employee salaries, wages, and other compensation and paid over to the appropriate Taxing authorities all amounts required to be so withheld and paid over for all periods under all applicable laws.

2.16 Insurance. York has made available to Empire and/or to Matthews complete and correct copies of all insurance policies insuring the Subsidiaries as in effect on the date hereof. York or each Subsidiary has in effect insurance coverage for the Subsidiaries with reputable insurer, which in respect of amounts, premiums, types and risks insured, constitutes reasonably adequate coverage against all risks customarily insured against by companies of comparable size and with similar operations.

2.17 Litigation and Claims. Except as set forth in Schedule 2.17:
(a) There are no actions, suits or proceedings pending or threatened against York or any of the Subsidiaries or any of their respective directors, officers or employees, the business, operations, properties or assets of any of the Subsidiaries or any Employee Benefit Plan relating to the transactions contemplated by this Agreement, or which could reasonably be expected, if adversely determined, to delay, prevent or hinder the consummation of the transactions contemplated by this Agreement,

(b) Neither York nor any of the Subsidiaries or any of their respective directors, officers or employees has been charged with violating or threatened in writing with a charge of violating, any provision of any United States Federal, state, local or foreign law or administrative ruling or regulation, and

(c) neither York nor any of the Subsidiaries has received any currently effective notice of any default, nor to York's knowledge is in default, under any order, writ, injunction, decree or Permit of any Governmental Authority.

Except as set forth in Schedule 2.17 or elsewhere on the Disclosure Schedules, to York's knowledge there is no investigation of the business, operations, properties or assets of any of the Subsidiaries being conducted by any Governmental Authority.

2.18 Compliance with Laws. Except as would not have a Material Adverse Effect or except as set forth in Schedule 2.18, to York's knowledge each

Subsidiary (i) is in compliance with all laws, regulations, orders, judgments or decrees of any Governmental Authority, provided that no representation is made as to Environmental Laws, and (ii) has made and is current with respect to all filings, reports, certificates, returns and other documentation and writings required to be furnished at any time or from time to time to any Governmental Authority, and all such materials so furnished were true, correct and complete, all amounts shown as due thereon have been paid in full or appropriately reserved for and based on the affairs, revenues, enrollment or other applicable measure of operations or assets during the period in question, each such filing, report, certificate, return or other document or writing correctly stated and reported the amount due.

2.19 Environmental and Occupational Safety Matters. With respect to all applicable federal, state, local, regional and foreign laws, rules and regulations, orders, decrees, common law, judgments, permits and licenses relating to public and worker health and safety (collectively, "Worker Safety Laws") and relating to the protection, regulation and clean-up of the indoor and outdoor environment, including, without limitation, those relating to the generation, handling, disposal, transportation or release of hazardous or toxic materials, substances, wastes, pollutants and contaminants including, without limitation, asbestos, petroleum, radon and polychlorinated biphenyls (collectively, "Environmental Laws") York has in good faith made reasonable efforts to disclose on Schedule 2.19 and during due diligence any matter which, to York's knowledge, could have a Material Adverse Effect, but otherwise makes no statements, representations or warranties and Empire and Matthews take the Purchased Stock, the Subsidiaries and their assets and liabilities "AS IS, WHERE IS" AND "WITH ALL FAULTS" with respect to such Environmental Laws and Worker Safety Laws.

2.20 Brokers' Fees. York has not incurred any liability for brokerage fees, finder's fees, agent's commissions or other similar forms of compensation in connection with this Agreement or any transaction contemplated hereby for which any of the Subsidiaries, Empire or Matthews will be responsible.

2.21 Contingencies. Except for:
(a) liabilities which are disclosed and fully provided for in the most recent balance sheet referred to in Section 2.05,

(b) liabilities incurred in the usual and ordinary course of business of the Subsidiaries subsequent to the date of such balance sheet and on or prior to the Closing Date,

(c) liabilities disclosed in Schedule 2.21 to this Agreement, and

(d) liabilities relating to Environmental Laws,

none of the Subsidiaries has any material liabilities or obligations (absolute or contingent, known or unknown, asserted or unasserted), including without limitation contingent liability for the performance of any obligation by any other Person.

2.22 Condition of Tangible Assets. To the knowledge of York, no tangible assets of the Subsidiaries which are material to the operations of the Subsidiaries are reasonably likely to be unavailable for use (except to the extent scheduled to be repaired or replaced) in the ordinary course of business during the next three months succeeding the date of this Agreement or except as would not have a Material Adverse Effect. Subject to the previous sentence and the representations and warranties set forth elsewhere in this Agreement, the assets of each of the Subsidiaries shall be accepted by Empire and Matthews in its "AS IS" "WHERE IS" AND "WITH ALL FAULTS" condition, with any and all faults, defects and conditions, without representation or warranty of any kind, express, implied, statutory or otherwise, including, without limitation, any warranty as to habitability, suitability, merchantability, condition or fitness, fitness for a particular purpose or fitness for any purpose.

2.23 Inventory. The inventory of each of the Subsidiaries is taken and shall be accepted by Empire and Matthews in its "AS IS" "WHERE IS" AND "WITH ALL FAULTS" condition, with any and all faults, defects and conditions, without representation or warranty of any kind, express, implied, statutory or otherwise, including, without limitation, any warranty as to habitability,

suitability, merchantability, condition or fitness, fitness for a particular purpose or fitness for any purpose.

2.24 Books and Records. Except as would not have a Material Adverse Effect, the minute books and other similar records of each of the Subsidiaries contain a true and complete record of all actions taken at all meetings and by all written consents in lieu of meetings of such Subsidiary's stockholders, boards of directors, and committees thereof. Such books and records have been maintained in accordance with good business and bookkeeping practices.

2.25 Warranties. The accrual for warranty related expenses as of December 31, 2000 reported in York's audited financial statements for the year ended December 31, 2000, adequately reflects an amount required for satisfaction of warranty claims due in respect of goods sold or services provided by each Subsidiary prior to such date, except as would not have Material Adverse Effect. Such provision has been established in accordance with GAAP, except as would not have Material Adverse Effect. No Subsidiary has agreed to provide any express product or service warranties other than standard warranties, the terms of which York has made available to Empire and/or to Matthews and identified as such Subsidiary's standard warranties.

2.26 Restrictions on Business Activities. There is no agreement, commitment, judgment, injunction, order or decree binding upon any of the Subsidiaries or to which any of the Subsidiaries is a party which has or could reasonably be expected to have the effect of prohibiting or materially impairing any business practice of such Subsidiary, any acquisition or transfer of property by York or by such Subsidiary or the conduct of business by such Subsidiary, as currently conducted.

ARTICLE III
Representations and Warranties of Matthews and Empire

Matthews and Empire represent and warrant to York that the statements contained in this Article III are correct and complete.

3.01 Organization and Authority. (a) Empire is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Empire has the corporate power and authority to execute and deliver this

Agreement and each of the other Transaction Documents to which it is a party and to perform its obligations hereunder and thereunder. There are no dissolution, liquidation or bankruptcy proceedings pending, contemplated by or, to the knowledge of Matthews or Empire, threatened against Empire.

(b) Matthews is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania. Matthews has the corporate power and authority to execute and deliver this Agreement and each of the other Transaction Documents to which it is a party and to perform its obligations hereunder and thereunder. There are no dissolution, liquidation or bankruptcy proceedings pending, contemplated by or, to the knowledge of Matthews or Empire, threatened against Matthews.

3.02 Due Authorization. (a) The execution and delivery by Empire of this Agreement and each of the other Transaction Documents to which it is a party, the performance by it of all the terms and conditions hereof and thereof to be performed by it and the consummation of the transactions contemplated hereby and thereby have been duly authorized and approved by all necessary corporate proceedings on the part of Empire. No other corporate proceeding on the part of Empire is necessary to approve and adopt this Agreement and each of the other Transaction Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. This Agreement and the other Transaction Documents to which Empire is a party have been duly and validly executed by Empire and constitute the legal, valid and binding obligations of Empire enforceable against Empire in accordance with their respective terms, subject to bankruptcy, insolvency or other similar laws of general application affecting creditors' rights and general principles of equity.

(b) The execution and delivery by Matthews of this Agreement and each of the other Transaction Documents to which it is a party, the performance by it of all the terms and conditions hereof and thereof to be performed by it and the consummation of the transactions contemplated hereby and thereby have been duly authorized and approved by all necessary corporate proceedings on the

part of Matthews. No other corporate proceeding on the part of Matthews is necessary to approve and adopt this Agreement and each of the other Transaction Documents to which it is a party and to consummate the transaction contemplated hereby and thereby. This Agreement and the other Transaction Documents to which Matthews is a party have been duly and validly executed by Matthews and constitute the legal, valid and binding obligations of Matthews enforceable against Matthews in accordance with their respective terms, subject to bankruptcy, insolvency or other similar laws of general application affecting creditors' rights and general principles of equity.

3.03 Absence of Conflicts. The execution and delivery by each of Empire and Matthews of this Agreement and each of the other Transaction Documents to which it is a party, the compliance by each of Empire and Matthews with the terms and conditions hereof and thereof, and the consummation by each of Empire and Matthews of the transactions contemplated hereby and thereby will not:
(a) conflict with any of the terms, conditions or provisions of the articles of incorporation or bylaws of either of Empire or Matthews,
(b) violate any provision of, or require any consent, authorization or approval under, any law or administrative regulation or any judicial, administrative or arbitration order, award, judgment, writ, injunction or decree applicable to, or any Permit issued to, or notice to or filing with any Governmental Authority with respect to either of Empire or Matthews,

(c) violate, conflict with, result in a breach of any provision of or the loss of any benefit under, constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, or require any consent, authorization or approval under, any of the terms conditions or provisions of any note, bond mortgage, indenture, Lien or other agreement, instrument for borrowed money, any guarantee of any agreement or instrument for borrowed money or any license, lease or any other agreement or instrument to which either of Empire or Matthews is a party or by which it is bound or to which any of its properties or assets is subject,

(d) result in the creation of any Lien upon any of the assets of either of Empire or Matthews, or

(e) give to others any material rights or interests (including rights of purchase, termination, cancellation or acceleration) under any such indenture, mortgage, Lien, lease, agreement or instrument, which, with respect to the matters specified in clauses (b) through (e) of this Section 3.03 could reasonably be expected to delay, prevent or hinder in any material respect the transactions contemplated hereby.

3.04 Litigation and Claims. There are no actions, suits or proceedings pending or, to the knowledge of Matthews or Empire, threatened against either of Empire or Matthews which could reasonably be expected, if adversely determined, to delay, prevent or hinder the consummation of the transactions contemplated by this Agreement.

3.05 Brokers' Fees. Neither Empire nor Matthews has incurred any liability for brokerage fees, finder's fees, agent's commissions or other similar forms of compensation in connection with this Agreement or any transactions contemplated hereby for which York will be responsible.

3.06 Governmental Approvals. No consents or approvals of or filings or registrations with Governmental Authority, or with any third party are required to be made or obtained by either of Empire or Matthews in connection with (i) the execution and delivery by each of Empire and Matthews of this Agreement and the other Transaction Documents and (ii) the consummation by each of Empire and Matthews of the transactions contemplated by this Agreement.

3.07 Warranties. YORK HAS NOT MADE, AND YORK HEREBY EXPRESSLY DISCLAIMS AND NEGATES, ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND OR NATURE WHATSOEVER, RELATING TO ANY IMPLIED OR EXPRESSED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR ANY IMPLIED OR EXPRESSED WARRANTY CONCERNING ENVIRONMENTAL CONDITION, ZONING, FLOODING OR DRAINAGE CHARACTERISTICS, WETLANDS STATUS, FAULTING CHARACTERISTICS OR SOIL CONDITIONS WITH RESPECT TO THE SUBSIDIARIES AND THEIR ASSETS. EMPIRE AND MATTHEWS ACKNOWLEDGE THAT ENVIRONMENTAL PERMITS ARE REQUIRED FOR EMPIRE TO OWN

AND OPERATE CERTAIN OF THE ASSETS OF THE SUBSIDIARIES AND THAT LICENSES OR OTHER APPROVALS MAY BE REQUIRED TO OPERATE CERTAIN OF THE ASSETS OF THE SUBSIDIARIES. EMPIRE AND MATTHEWS ACKNOWLEDGE AND AGREE THAT CERTAIN OF THE ENVIRONMENTAL PERMITS OF THE SUBSIDIARIES OR THEIR BUSINESSES OR THEIR ASSETS AND ANY APPLICABLE LICENSES NECESSARY TO OPERATE SUCH ASSETS MAY NOT BE FREELY ASSIGNABLE TO EMPIRE. EMPIRE AND MATTHEWS ACKNOWLEDGE AND AGREE THAT UNDER SOME CIRCUMSTANCES THERE MAY BE A PERIOD OF TIME BETWEEN ACQUISITION OF AN ASSET AND ISSUANCE, REISSUANCE OR TRANSFER OF A PERMIT BY A GOVERNMENTAL AUTHORITY, AND, SUBJECT TO THE OBLIGATIONS OF YORK UNDER THIS AGREEMENT TO COOPERATE WITH AND ASSIST EMPIRE IN CONNECTION THEREWITH, EMPIRE ASSUMES ALL RISKS RELATED THERETO, INCLUDING RISK OF FINES AND PENALTIES ASSOCIATED WITH

ACQUISITION AND OPERATION OF AN ASSET PRIOR TO ISSUANCE, REISSUANCE OR TRANSFER OF A PERMIT OR LICENSE. IF ANY ENVIRONMENTAL PERMITS ARE ISSUED, REISSUED, OR TRANSFERRED TO EMPIRE, EMPIRE AND MATTHEWS UNDERSTAND AND ACKNOWLEDGE THAT THEY MAY CONTAIN DIFFERENT OR LESS FAVORABLE TERMS THAN THOSE ENVIRONMENTAL PERMITS CURRENTLY HELD BY YORK OR THE SUBSIDIARIES. EMPIRE AND MATTHEWS ACKNOWLEDGE THAT THE PROVISIONS OF THIS SECTION 3.07 ARE A MATERIAL PORTION OF THE INDUCEMENT TO YORK TO SELL THE PURCHASED STOCK EMPIRE, AND THAT BUT FOR SUCH PROVISIONS, YORK WOULD NOT SELL THE PURCHASED STOCK TO EMPIRE.

ARTICLE IV
Covenants

4.01 Employees. (a) None of Matthews, Empire nor York intends this Agreement to create any rights or interests, except as between Matthews, Empire and York, and no present, former or future employee of Matthews, Empire or York shall be treated as a third party beneficiary by, in or under this Agreement. Nothing in this Agreement shall affect the ability of Matthews or Empire to hire or terminate the employment of employees.

(b) York shall be liable for compliance with the WARN Acts insofar as they relate to any facilities closing, mass layoff or similar event which occurs before the Closing. Matthews and Empire shall be liable for compliance with the WARN Acts insofar as they relate to any facilities closing, mass layoff or similar event which occurs upon or after the Closing.

(c) For at least two (2) years following the Closing, Matthews or Empire, as the case may be, agrees to provide employee benefits to the Subsidiaries' employees which are in the aggregate, no less favorable than such benefits that were provided by York and the Subsidiaries as of the Closing. For these purposes, the Subsidiaries' employees will be given credit for years of service with York, its subsidiaries and their predecessors for all employee benefit purposes, with the exception of the defined benefit pension plans of Matthews.

4.02 Financial Statements. York will cause its auditors to provide to Matthews and to Empire, on or prior to sixty five (65) days after the date hereof, the audited financial statements of the Subsidiaries which are necessary for Matthews to meet its reporting obligations under Items 2 and 7 of Form 8-K under the Securities Exchange Act of 1934, as amended. Matthews shall pay to York one half of the fees of York's auditors in connection with the same.

4.03 Tax Matters. Matthews and York agree to furnish or cause to be furnished to each other, upon request, as promptly as practicable, such information and assistance relating to the Subsidiaries (including, without limitation, access to books and records) as is reasonably necessary for the filing of all Tax Returns, and making of any election related to Taxes, the preparation for any audit by any taxing authority, and the prosecution or defense of any claim, suit or proceeding relating to any Tax Return. Matthews and York will retain all books and records with respect to Taxes pertaining to the Subsidiaries for a period of at least six (6) years following the Closing. Matthews and York will cooperate with each other in the conduct of any audit or other proceeding related to Taxes and each will execute and deliver such powers of attorney and other documents as are necessary to carry out the intent of this Section 4.03.

4.04 Environmental Response. (a) Matthews and Empire acknowledge that the York Bronze Real Property, the OMC Real Property and the Sub 1 Real Property are subject to on-going environmental investigation, remediation, and/or other corrective work and response actions undertaken pursuant to the Colonial Guild

Merger Documents (as hereinafter defined) and the OMC Merger Documents (as hereinafter defined) (collectively, "Environmental Response Activities"). Matthews and Empire consummate the transactions contemplated by this Agreement with the understanding that the Environmental Response Activities set forth on Schedule 4.04 have been identified as needing to be completed after the date of this Agreement by the Shareholder Representatives (as that term is defined in the Colonial Guild Merger Documents) and the Shareholders (as that term is defined in the OMC Merger Documents) in accordance with the terms of such agreements and subject to the rights and remedies of York thereunder.

(b) The Matthews Group (as defined below) grants the Shareholder Representatives, the Shareholders and York and their respective contractors, subcontractors, and representatives, such reasonable access to that portion of the York Bronze Real Property, the OMC Real Property and the Sub 1 Real Property as is necessary for the purpose of performing their respective obligations with respect to Environmental Response Activities as described in the Colonial Guild Merger Documents and OMC Merger Documents. The parties agree to reasonably cooperate with respect to the work to be completed on the York Bronze Real Property, the OMC Real Property and the Sub 1 Real Property, such that Matthews and Empire use reasonable efforts not to interfere with, hinder or prevent the rights and obligations of York, the Shareholder Representatives and the Shareholders to complete the Identified Environmental Response Activities (defined below), and York uses reasonable efforts to minimize the disruption of Matthews' operations. Matthews and the Subsidiaries agree to designate in writing to York the name and contact information of its representative to participate in the process of consulting and, if desired by York, approving any ongoing Environmental Response Activities under the Colonial Guild Merger Documents and/or the OMC Merger Documents at the York Bronze Real Property, the OMC Real Property and/or the Sub 1 Real Property. The Matthews Group agrees to promptly provide comments to any work proposed by York, the Shareholder Representatives or the Shareholders; provided, however, that any proposed changes by the Matthews Group to the work to be performed at the York Bronze Real Property, the OMC Real Property and/or the Sub 1 Real Property shall be in conformance with the requirements of the Colonial Guild Merger Documents or OMC Merger Documents and shall be reasonable in view of York's rights and remedies thereunder. If no comments are provided within ten business days of the Matthews Group's receipt of such proposed Environmental Response Activities, it will be presumed that the Matthews Group has agreed to the proposed Environmental Response Activities.

(c) York agrees to continue after the Closing to perform its obligations under the Colonial Guild Merger Documents and the OMC Merger Documents with respect to the Environmental Response Activities, consisting only of (i) any claimed Shareholders' Environmental Escrow Obligations as that term is defined in the Colonial Guild Merger Documents, (ii) the preparation of a storm water pollution prevention plan and obtaining a storm water general permit from the Texas Natural Resource Conservation Commission for the OMC Real Property and (iii) the matters set forth in the Response Activities Agreement of the OMC Merger Documents (collectively, the "Identified Environmental Response Activities"), including the handling of any escrows or payments to environmental consultants or attorneys and any arbitration or litigation, now pending or hereafter commenced, arising from such Identified Environmental Response Activities, until the conclusion thereof, except to the extent caused by or attributable to any breaches by the Matthews Group of any of their obligations hereunder. York shall have the responsibility to use commercially reasonable efforts to cause the Shareholder Representatives and the Shareholders to complete the Identified Environmental Response Activities but

only to the extent it can avail itself of its rights under the Colonial Guild Merger Documents and OMC Merger Documents and their related escrows to fund the same. As used herein, the standard for completion of any Identified Environmental Response Activities shall be (i) the obtaining of any necessary permits or other authorizations with respect to the storm water issue at Bryan, Texas, or (ii) receipt of "Completion Evidence" as that term is defined in the Colonial Guild Merger Documents or "Closure" as that term is defined in the OMC Merger Documents.

(d) If, but only if, the Matthews Group requests any Environmental Response Activities other than or in addition to the Identified Environmental Response Activities to be performed at the York Bronze Real Property, the OMC Real Property or the Sub 1 Real Property, (i) the Matthews Group will contact York,

and the parties agree to reasonably cooperate to have York present the same to and process the same with the Shareholder Representatives and the Shareholders, with York having only the obligation to use commercially reasonable efforts, at no cost or expense to York, to undertake the responsibility for advocating the Matthews Group position to the Shareholder Representatives or the Shareholders within, and participating in, the dispute resolution procedures under such documents, (ii) the Matthews Group agrees to be bound by any decision reached under the dispute resolution procedures of the Colonial Guild Merger Documents or the OMC Merger Documents without any recourse against York and (iii) the Matthews Group agrees to defend, hold harmless, and indemnify York against all claims, demands, disputes, losses, damages, costs and expenses (including without limitation attorneys' and other professionals' fees) associated with or arising from the assertion of the Matthews Group's position at its or their request as described above and resolution of disputes with respect to the same.

(e) Other than with respect to its agreement to use its commercially reasonable efforts to take the actions described above with respect to the Identified Environmental Response Activities affecting the York Bronze Real Property, the OMC Real Property, the Sub 1 Real Property or the Subsidiaries, York shall bear no responsibility, liability, obligation or duty to the Matthews Group or any other Person for (i) any particular results with respect to such Environmental Response Activities, (ii) any disbursement from the Escrow Deposit (as defined under the Colonial Guild Merger Documents) authorized by York for any proposed Environmental Response Activities approved or deemed approved by the Matthews Group hereunder, (iii) any reimbursement from the Escrow Deposit to any party to the Colonial Guild Merger Documents, or (iv) the amount of the Escrow Deposit and its sufficiency for any Environmental Response Activities.

For purposes of this Agreement, the "Colonial Guild Merger Documents" shall include the Agreement and Plan of Merger entered into as of February 17, 1998 by and among York, Colonial Acquisition Corp., and Colonial Guild, Ltd., and all other documents and amendments associated with that transaction, including without limitation the Escrow Agreement, Access Agreement, and Letter Agreement and the "OMC Merger Documents" shall include the Agreement and Plan of Merger entered into as of December 18, 1998 by and among The York Group, Inc., York Acquisition Corp. III, OMC Industries, Inc., and Ben Hardeman and Nancy Hardeman, and all other documents and amendments associated with that transaction, including without limitation, the Fixed Fee Remediation Contract and the Response Activities Agreement and the Pollution Legal Liability Select Policy issued to York by American International Specialty Lines Insurance Company (the "OMC Insurance Policy"). York shall remain the named insured under the OMC Insurance Policy.

For purposes of this Section 4.04, the "Matthews Group" shall mean, collectively, Matthews, Empire and (after the Closing) the Subsidiaries.

4.05 Post-Closing Corporate Governance of Subsidiaries. Matthews, Empire and York agree as follows with respect to corporate governance and related matters applicable to each of the Subsidiaries after the Closing Date:

(a) The Board of Directors of each of the Subsidiaries shall consist of two (2) persons, one (1) designated by Empire (the "Empire Designee") and one (1) designated by York (the "York Designee" and, together with the Empire Designee, the "Designees"). Either party may remove its Designee from time to time, and any vacancy created by the removal, resignation, death or disability of a director shall be filled by the party designating the applicable Designee. Thomas Crawford shall be the initial York Designee and David Kelly shall be the initial Empire Designee. Each of Empire and York shall, and York shall cause York Bronze and OMC to, vote all shares of voting stock in the Subsidiaries in favor of such Designees.

(b) Neither Empire nor York shall transfer any of its shares of York Bronze Common Stock or OMC Common Stock without the prior written consent of the other party. Any purported transfer without such consent shall be null and void.

(c) Neither Empire nor York shall permit or suffer to exist any Lien on or affecting its shares of York Bronze Common Stock or OMC Common Stock.

(d) Effective as of the Closing Date, the officers of York Bronze, OMC and Sub 1 shall be the persons identified on Schedule 4.05(d), subject to change from time to time by action of the Board of Directors of the respective Subsidiaries.

(e) Effective as of the Closing Date, Matthews and Empire shall cause the Subsidiaries to be covered by the insurance policies and programs of Matthews and its Affiliates.

(f) The Boards of Directors of York Bronze and OMC shall, and York and Empire as the shareholders of York Bronze and OMC shall, at the earliest time as either such shareholder deems appropriate, take steps to liquidate and dissolve York Bronze and OMC (the "Liquidation") and, in connection with such Liquidation, to cause Empire to assume all Liabilities of York Bronze and OMC (other than Liabilities relating to Excluded Assets), to distribute the Sub 1 Common Stock and the Sub 1 Preferred Stock to Empire and to distribute the Excluded Assets and the $7,790,000 paid to York Bronze and the $1,100,000 paid to OMC under the Asset Purchase Agreement, including any interest and dividends earned or accrued thereon after the closing of the Asset Purchase Agreement, to York. Each party shall execute such documents and take such actions as may be reasonably required to carry out the Liquidation in an orderly fashion.

(g) In the event that the liquidating distributions to York upon the Liquidation of York Bronze and OMC (the "Actual York Liquidation Proceeds") is not greater than or equal to $8,890,000, plus any interest that would have accrued thereon from the date of closing the Asset Purchase Agreement to the date of receipt by York of such proceeds (the "Expected York Liquidation Proceeds"), Matthews and Empire shall make a cash payment on the date of the liquidating distributions to York in an amount equal to the Expected York Liquidation Proceeds less the Actual York Liquidation Proceeds. The parties acknowledge that until the Liquidation occurs, the $8,890,000 paid to York

Bronze and OMC under the Asset Purchase Agreement shall be invested at the discretion of York.

4.06 Uses of Names. (a) Effective from and after the Closing and up to December 31, 2001, York hereby grants the Matthews Group the nonexclusive, royalty-free right to use (without right of sublicense) the name "York Bronze" any derivative thereof and any corporate symbols or logos related thereto, but only in connection with the conduct and operation of the businesses of the Subsidiaries, provided, however, that the Matthews Group shall not represent or hold itself out as representing York and provided further, however, that the Matthews Group shall indemnify and hold harmless York from and Adverse Consequences incurred by York as a result of the Matthews Group's use of such names or symbols or logos.

(b) The Matthews Group acknowledges that, except for the limited right granted by this Section, the Matthews Group has no right or interest in the name "York" or any trade name, service name, trademark or service mark or logos relating thereto. Except as set forth in this Section, the Matthews Group shall not use any name, trade name, service mark, trademark, service mark or any related logos or symbols incorporating "York" in any manner whatsoever. Prior to December 31, 2001, the Matthews Group shall take all such action as is necessary to cause the Subsidiaries to make all filings as necessary to change their corporate names to names that do not contain "York" or any substantially or confusingly similar name or reference, and thereafter, the Matthews Group shall take all such action as is necessary to cause the Matthews Group and its Affiliates to cease using any name, trade name, trademark or service mark or any related logos or symbols incorporating "York" in any manner whatsoever.

ARTICLE V
Remedies for Breaches of this Agreement

5.01 Survival of Representations, Warranties and Covenants. All of the representations, warranties and covenants of the parties contained in this Agreement shall survive the Closing (even if the damaged party knew or had reason to know of any misrepresentation or breach of warranty at the time of the Closing) and shall continue in full force and effect thereafter for a period of one (1) year; provided, that (a) Sections 4.01(c), 4.06, 7.01, 7.02 and 7.11 shall survive for the applicable statute of limitations period and

(b) if the Liquidation shall not have occurred within such one (1) year period, the covenants set forth in Section 4.05 shall remain in effect until the earlier to occur of (i) the Liquidation or (ii) disposition by York of its shares of York Bronze Common Stock and OMC Common Stock, and (c) Sections 5.03(a)(ii) and (iii) shall survive the Closing without limitation. MATTHEWS AND EMPIRE HEREBY WAIVE FROM AND AFTER CLOSING TO THE FULLEST EXTENT PERMITTED BY LAW, ANY AND ALL RIGHTS, CLAIMS, ACTIONS OR CAUSES OF ACTION EITHER OF THEM MAY HAVE AGAINST YORK AND ITS AFFILIATES RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT AND THE CERTIFICATES AND OTHER DOCUMENTS DELIVERED PURSUANT TO THIS AGREEMENT, OTHER THAN CLAIMS UNDER SECTIONS 5.02, 7.01, 7.02 AND 7.11 AND OF FRAUD AND RIGHTS, CLAIMS, ACTIONS AND CAUSES OF ACTION ARISING OUT OF A BREACH OF ANY COVENANT OR AGREEMENT OF YORK. FURTHER, EXCEPT AS PROVIDED IN SECTIONS 5.02, 7.01, 7.02 AND 7.11 MATTHEWS AND EMPIRE WAIVE, RELEASE AND COVENANT NOT TO SUE YORK AND ITS AFFILIATES FOR ANY DAMAGES OF ANY KIND OR CHARACTER, ARISING UNDER ANY ENVIRONMENTAL LAW (STATUTORY, REGULATORY, COMMON LAW OR OTHERWISE) RELATING TO ANY DAMAGE, INCLUDING STRICT LIABILITY, INCURRED OR ALLEGEDLY INCURRED BY EITHER OF MATTHEWS OR EMPIRE. IN ADDITION, MATTHEWS AND EMPIRE COVENANT AND AGREE THAT NEITHER OF THEM SHALL FILE ANY CLAIMS WITH ANY INSURER OF YORK OR ITS AFFILIATES FOR RECOVERY UNDER ANY INSURANCE

POLICIES COVERING YORK OR ITS AFFILIATES AND DO HEREBY WAIVE, IRREVOCABLY AND FOREVER AND TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHTS THEY MAY HAVE TO RECOVER UNDER SUCH INSURANCE POLICIES; PROVIDED, HOWEVER, THAT MATTHEWS SHALL HAVE THE RIGHT TO CLAIM AGAINST THE AMERICAN INTERNATIONAL SPECIALTY LINES INSURANCE COMPANY POLLUTION LEGAL LIABILITY SELECT POLICY, POLICY NUMBER PLS2674645, ISSUED TO YORK.

5.02 Indemnification Provisions for Benefit of Matthews and Empire. (a) Subject to the terms and conditions of this Article V, if there is any breach or inaccuracy of any of the representations, warranties or covenants of York contained herein, or if any third party alleges facts that, if true, would mean that such a breach or inaccuracy existed, and provided that the Parent Group delivers to York, pursuant to Section 5.04 hereof, a claim for indemnification with respect to such alleged breach or inaccuracy, then York shall indemnify the Parent Group, from and against all Adverse Consequences that the Parent Group has suffered caused by, resulting from, arising out of or relating to such breach or inaccuracy through and after the date of such claim. For purposes of this Agreement, the "Parent Group" shall mean either or both of Matthews and Empire.

(b) York's obligations under Section 5.02(a) shall be subject to the following limitations:
(i) York shall not have any liability to the Parent Group for Adverse Consequences for any breach of the representations, warranties or covenants under this Agreement or the Asset Purchase Agreement to the extent the aggregate amount of all such Adverse Consequences for which York would otherwise be liable under this Agreement and under Section 5.02(a) of the Asset Purchase Agreement exceeds Ten Million Dollars ($10,000,000);

(ii) York shall not have any liability to the Parent Group for Adverse Consequences for any breach of the representations or warranties under this Agreement or under the Asset Purchase Agreement unless and until the aggregate amount of all such Adverse Consequences relating thereto for which York would, but for this Section 5.02(b)(ii) or Section 5.02(b)(ii) of the Asset Purchase Agreement, be required to indemnify the Parent Group exceeds on a cumulative basis an amount (the "Basket Amount") equal to Five Hundred Thousand Dollars ($500,000), at which point York, subject to the further terms, conditions and limitations of this Agreement and the Asset Purchase Agreement, shall indemnify the Parent Group for all Adverse Consequences exceeding the Basket Amount;

(iii) if a reserve (in the form of an accrued Liability or an offset to an asset or similar item) was reflected in the Financial Statements relating to any matter for which the Parent Group would otherwise be entitled to indemnification under this Agreement or the Asset Purchase Agreement, then the calculation of the Parent Group's Adverse Consequences in respect of such matter shall be reduced by the full amount of the reserve as reflected in Financial Statements; and

(iv) the obligations to indemnify and hold the Parent Group harmless shall terminate as to each representation, warranty and covenant when each such representation, warranty or covenant terminates; provided, however, that such

obligations to indemnify and hold harmless shall not terminate with respect to any item as to which the Parent Group shall have, prior to the expiration of the applicable period, previously made a claim by delivering an indemnification notice pursuant to Section 5.04 and in compliance with the requirements therefor, but only with respect to the content of, and on the basis set forth in, such indemnification notice.

(c) York's obligation to indemnify Parent Group under Section 5.02(a) shall not be affected or limited by Parent Group's obligation to indemnify York and its Affiliates under Section 5.03(a)(iii)(3).

5.03 Indemnification Provisions for Benefit of York. (a) Subject to the terms and conditions of this Article V, Matthews and Empire shall have the following indemnification obligations:
(i) If there is any breach or inaccuracy of any of the representations, warranties or covenants of the Parent Group contained herein, or if any third party alleges facts that, if true, would mean that such a breach or inaccuracy existed, and provided that York deliver to the Parent Group pursuant to Section 5.04 hereof a claim for indemnification with respect to such alleged breach or inaccuracy, then Matthews and Empire, jointly and severally, shall indemnify York from and against all Adverse Consequences that York has suffered or may suffer caused by, resulting from, arising out of or relating to such breach or inaccuracy through and after the date of such claim,

(ii) Matthews and Empire, jointly and severally, shall indemnify York and its Affiliates for any fines, penalties, and Adverse Consequences relating to any recission (but not attorneys' fees) resulting from, arising out of or relating to any violation of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder, in connection with the transactions contemplated by this Agreement, the Asset Purchase Agreement and any other agreements among the parties or their Affiliates.

(iii) Empire and Matthews, jointly and severally, shall indemnify York and its Affiliates from and against any and all Liabilities and other Adverse Consequences resulting from, arising out of or relating to (1) the Liquidation of OMC and/or York Bronze, (2) any attempt by a third party to recover any amount of the Actual York Liquidation Proceeds from York or its Affiliates, and (3) any failure by Sub 1 or any of its Affiliates to fully pay, perform or otherwise satisfy any of the Assumed Liabilities as defined in the Contribution, Assignment and Assumption Agreement dated as of May 21, 2001; provided, however, that Matthews and Empire shall not be required to indemnify York and its Affiliates under this Section 5.03(a)(iii)(3) if and only to the extent that (and only for so long as) Parent Group is entitled to indemnification from York under Section 5.02(a).

(b) The Parent Group's obligations under Section 5.03(a)(i) shall be subject to the following limitations:
(i) The Parent Group shall not have any liability for Adverse Consequences for any breach of representations, warranties or covenants under Section 5.03(a)(i) of this Agreement or Section 5.03(a)(i) of the Asset Purchase Agreement to the extent the aggregate amount of all such Adverse Consequences for which the Parent Group would otherwise be liable under Section 5.03(a)(i) of this Agreement and under Section 5.03(a)(i) of the Asset Purchase Agreement exceeds Ten Million Dollars ($10,000,000);

(ii) The Parent Group shall not have any liability for Adverse Consequences for any breach of the representations or warranties under Section 5.03(a)(i) of this Agreement and Section 5.03(a)(i) of the Asset Purchase Agreement unless and until the aggregate amount of all such Adverse Consequences relating thereto for which the Parent Group would, but for this Section 5.03(b)(ii) or Section 5.03(b)(ii) of the Asset Purchase Agreement, be required to indemnify York exceeds on a cumulative basis a Basket Amount equal to Five Hundred Thousand Dollars ($500,000), at which point, the Parent Group, subject to the further terms, conditions and limitations of this Agreement and

the Asset Purchase Agreement, shall indemnify York for all Adverse Consequences exceeding the Basket Amount; and

(iii) the obligations to indemnify and hold York harmless shall terminate as to each representation, warranty and covenant when each such representation, warranty or covenant terminates, provided, however, that such obligations to

indemnify and hold harmless shall not terminate with respect to any item as to which York shall have, prior to the expiration of the applicable period, previously made a claim by delivering an indemnification notice pursuant to Section 5.04 and in compliance with the requirements therefor, but only with respect to the content of, and on the basis set forth in, such indemnification notice.

(c) Notwithstanding anything to the contrary in this Agreement or the Asset Purchase Agreement, the limitations set forth in Sections 5.03(b)(i), (ii) and (iii) above shall not apply to or otherwise limit in any manner the obligations of Matthews and Empire under Sections 5.03(a)(ii) and (iii) above.
5.04 Notice of Claim for Indemnification. No claim for indemnification hereunder shall be valid unless notice of such claim is delivered to the Parent Group (in the case of a claim by York) or to York (in the case of a claim by the Parent Group) prior to or upon the date of expiration of the representation, warranty or covenant pursuant to which such indemnification is sought. Any such notice shall set forth in reasonable detail, to the extent known by the person giving such notice, the facts on which such claim is based and the estimated amount of Adverse Consequences resulting therefrom.

5.05 Matters Involving Third Parties. (a) If the Parent Group or York receives notice or acquires knowledge of any matter which may give rise to a claim by another Person and which may then result in a claim for indemnification under this Article V, then (i) if such notice or knowledge is received or acquired by the Parent Group, the Parent Group shall within twenty (20) days notify York thereof, and (ii) if such notice or knowledge is received or acquired by York, York shall within twenty (20) days notify the Parent Group thereof; provided, however, that no delay in giving such notice shall diminish any obligation under this Article V to provide indemnification unless (and then solely to the extent that) the party from whom such indemnification is sought is prejudiced. Thereafter, the party seeking indemnification (the "Indemnified Party") shall deliver to the party from whom such indemnification is sought (the "Indemnifying Party"), within five business days after the Indemnified Party's receipt thereof, copies of all notices, correspondence and documents (including, without limitation, court papers) received by the Indemnified Party relating to the Third Party Claim.

(b) The Indemnifying Party shall have the right to defend against such claim by another Person (the "Third Party Claim") with counsel of the Indemnifying Party's choice reasonably satisfactory to the Indemnified Party so long as (within thirty (30) days after the Indemnified Party has given notice of the Third Party Claim to the Indemnifying Party) the Indemnifying Party notifies the Indemnified Party that the Indemnifying Party will indemnify the Indemnified Party from and against all Adverse Consequences the Indemnified Party may suffer caused by, resulting from, arising out of or relating to such Third Party Claim and the Indemnifying Party conducts the defense of the Third Party Claim actively and diligently. Notwithstanding any acknowledgement made pursuant to Section 5.05(b)(i), York shall continue to be entitled to assert any defense to or limitation on its indemnification responsibility contained in Section 5.02.

(c) So long as the Indemnifying Party is conducting the defense of the Third Party Claim in accordance with Section 5.05(b) hereof, (i) the Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defense of the Third Party Claim, it being understood, however, that the Indemnifying Party shall control such defense, and (ii) the Indemnified Party shall not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior consent of the Indemnifying Party. If the Indemnifying Party chooses to defend any Third Party Claim, the Indemnifying Party shall have the right to control the defense, compromise or settlement of such matter, and all the parties hereto shall cooperate in the defense or prosecution of such Third Party Claim. Such cooperation shall include the execution of documents necessary to effectuate any reasonable institutional controls that are required as part of a remedial action approved by a Governmental Authority, retention and (upon the Indemnifying Party's request) the provision to the Indemnifying Party of Records that are reasonably relevant to such Third Party Claim, and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Notwithstanding the foregoing, the Indemnifying Party shall not compromise or settle any Third Party Claim without the consent of the Indemnified Party,

unless such compromise or settlement by the Indemnifying Party involves only the payment of monetary damages by the Indemnifying Party and includes a full release of the Indemnified Party from all liability with respect to such Third Party Claim. If the Indemnifying Party, within a reasonable time after receipt of an Indemnification Notice relating to a Third Party Claim, chooses not to assume defense of a Third Party Claim or fails to defend such Third Party Claim actively and diligently, the Indemnified Party will (upon further notice) have the right to undertake the defense, compromise or settlement of such Third Party Claim or consent to the entry of judgment with respect to such Third Party Claim, on behalf of, and for the account and risk of, the Indemnifying Party, and the Indemnifying Party shall have no right to challenge the Indemnified Party's defense, compromise, settlement or consent to judgment, subject to the limitations on the Indemnifying Party's obligations pursuant to Section 5.02. The foregoing notwithstanding, in the event that the Indemnifying Party chooses not to assume defense of a Third Party Claim or fails to defend such Third Party Claim actively and diligently, but later chooses to assume defense of such Third Party Claim and gives notice to the Indemnified Party of such assumption, the Indemnifying Party shall, effective concurrently with the notice, control such defense, and the Indemnified Party shall not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior consent of the Indemnifying Party.

5.06 Exclusive Remedy. From and after the date hereof, the indemnification provisions of this Article V shall be the sole and exclusive remedy with respect to any and all claims relating to the subject matter of this Agreement (or any related agreements, certificates and other documents, except to the extent otherwise expressly set forth therein) and no other remedy shall be had pursuant to any contract, misrepresentation, fraud or other tort theory or otherwise by Matthews or York and their respective officers, directors, employees, agents, Affiliates, attorneys, consultants, successors and assigns, all such remedies being hereby expressly waived to the fullest extent permitted under applicable Law. Without limitation, the procedures set forth in this Article V constitute the sole and exclusive remedy of Matthews and York and their Affiliates arising out of any breach or claimed breach of the representations and warranties set forth in Article II and Article III made as of the date of this Agreement relating to events occurring on or prior to the date hereof that become known to Matthews or York on, prior to or subsequent

to the date hereof. In furtherance of the foregoing, except with respect to the rights of Matthews under this Agreement, Matthews hereby waives, from and after the date hereof, to the fullest extent permitted under applicable Law, any and all other rights, claims and causes of action it may have against York and its Affiliates relating to the subject matter of this Agreement arising under or based upon any federal, state, local or foreign Law or otherwise, including, without limitation, such rights, claims and causes of action Matthews may have against York under any Environmental Law or Worker Safety Law (Statutory, Regulatory Common Law or otherwise) or CERCLA.

ARTICLE VI
Definitions

As used herein the following terms have the following meanings:

"Adverse Consequences" shall mean all actions, suits, proceedings, hearings, investigations, charges, complaints, claims, demands, injunctions, judgments, orders, decrees, rulings, damages, dues, penalties, fines, costs, amounts paid in settlement, liabilities, obligations, Taxes, Liens, losses, expenses and fees, including court costs and reasonable attorneys' and accountants' fees and disbursements.

"Affiliate" shall mean a Person who, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the Person specified.

"Agreement" shall have the meaning set forth in the preamble hereto.

"Asset Purchase Agreement" shall have the meaning set forth in the Recitals.

"Basket Amount" shall have the meaning set forth in Section 5.02(b).

"Closing" shall mean the sale and purchase of the Purchased Stock upon the signing of this Agreement.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Confidential Information" includes information concerning the following, as they relate to the Subsidiaries: sales, sales volume, sales methods, sales proposals, customers and prospective customers, identity of customers and prospective customers, identity of key purchasing personnel in the employ of customers and prospective customers, amount or kind of customer's purchases

from the Subsidiaries, its sources of supply, its computer programs, system documentation, special hardware, product hardware, related software development, its manuals, formulae, processes, methods, machines, compositions, ideas, improvements, inventions or other confidential or proprietary information belonging to the Subsidiaries or relating to its affairs. Notwithstanding the foregoing, the term "Confidential Information" shall not include information reasonably required for or currently used in York's casket businesses, if used in connection with the operation of the casket businesses, even though such information may also be in the possession of or belong to one or more of the Subsidiaries.

"Contracts" shall have the meaning set forth in Section 2.08.

"Debt Instruments" shall have the meaning set forth in Section 2.14.

"Designee" shall have the meaning set forth in Section 4.05(a).

"Disclosure Schedules" shall mean the disclosure schedules furnished by York, York Bronze and OMC to Matthews and containing all lists, descriptions, exceptions, and other information and materials as are required to be included therein pursuant to this Agreement and the Asset Purchase Agreement.

"Domain Names" shall have the meaning set forth in Section 2.11(a)(iv).

"Empire" shall have the meaning set forth in the preamble hereto.

"Empire Designee" shall have the meaning set forth in Section 4.05(a).

"Employee Benefit Plan" shall have the meaning set forth in Section 2.10(d)(i).

"Employee Pension Benefit Plan" shall have the meaning set forth in ERISA Section 3(2).

"Employee Welfare Benefit Plan" shall have the meaning set forth in ERISA Section 3(1).

"Employment Contracts" shall have the meaning set forth in Section 2.09.

"Environmental Laws" shall have the meaning set forth in Section 2.19.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" shall have the meaning set forth in Section 2.10(d)(iii).

"Excluded Assets" shall mean the York Bronze Real Property located in Aiken, South Carolina and Portland, Oregon.

"Financial Statements" shall have the meaning set forth in Section 2.05.

"GAAP" shall have the meaning set forth in Section 2.05.

"Governmental Authority" shall mean any federal, state or local court, administrative agency or commission or other governmental authority or instrumentality except any of the same which regulate any antitrust laws.

"Indemnified Party" shall have the meaning set forth in Section 5.05(a).

"Indemnifying Party" shall have the meaning set forth in Section 5.05(a).

"Intellectual Property" shall have the meaning set forth in Section 2.11(a).

"Liability" whether or not capitalized, shall mean any liability (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due), including any liability for Taxes.

"Lien" shall mean any lien, mortgage, pledge, encumbrance, charge or other security interest other than Permitted Liens.

"Liquidation" shall have the meaning set forth in Section 4.05(f).

"Material Adverse Effect" shall mean an event, occurrence, fact, condition, change, development or effect that is materially adverse to the business, property, financial condition or results of operations of the Subsidiaries taken as a whole, or any other specified Person, excluding specifically any such event, occurrence, fact, condition, change, development or effect (a) resultant from changes in general economic or political conditions, (b) resultant from changes generally applicable to companies engaged in businesses or industries similar to those in which the specified Person is engaged, (c) resultant from the announcement of this Agreement or the transactions contemplated herein, (d) resultant from the announcement of any other transaction or transactions among York or one or more of its Affiliates and Matthews or one or more of its Affiliates, (e) resultant from any other transaction or transactions with respect to which York has prior to the date hereof announced (whether generally or specifically) its intention to investigate, evaluate or consummate, and (f) set forth in this Agreement or the Disclosure Schedules.

"Matthews" shall have the meaning set forth in the preamble hereto.

"Matthews Group" shall have the meaning set forth in Section 4.04.

"Multiemployer Plan" shall have the meaning set forth in Section 2.10(d)(ii).

"OMC" shall have the meaning set forth in the Recitals.

"OMC Common Stock" shall have the meaning set forth in Section 1.01.

"OMC Equipment" shall have the meaning set forth in Section 2.07(b)(ii).

"OMC Equipment Instruments" shall have the meaning set forth in Section 2.07(b)(v).
"OMC Intellectual Property" shall have the meaning set forth in Section 2.11(a).
"OMC Products" shall have the meaning set forth in Section 2.11(a).
"OMC Purchased Shares" shall have the meaning set forth in Section 1.01.
"OMC Real Property" shall have the meaning set forth in Section 2.07(a)(ii).
"OMC Real Property Instruments" shall have the meaning set forth in Section 2.07(a)(ii).
"OMC Registered Intellectual Property" shall have the meaning set forth in Section 2.11(a).
"Parent Group" shall have the meaning set forth in Section 5.02(a).

"Patents" shall have the meaning set forth in Section 2.11(a)(i).
"PBGC" shall mean the Pension Benefit Guaranty Corporation.
"Permits" shall have the meaning set forth in Section 2.13(a).
"Permitted Liens" shall mean (i) liens in respect of pledges or deposits under workers' compensation laws or similar legislation, carrier's, landlord's, workmen's, warehousemen's, mechanic's, laborer's, materialmen's or other similar liens or easements, covenants and encumbrances, if the obligations secured by same are not then delinquent; (ii) liens for current ad valorem Taxes, payments of which are not yet delinquent; (iii) liens relating to accounts payable incurred in the ordinary course of business and consistent with past practice; (iv) zoning and subdivision laws and regulations; and (v) such imperfections of title which do not materially detract from the value or current uses of the Real Property.
"Person" shall mean any individual, partnership, joint venture, corporation, trust, unincorporated organization or government or any department or agency thereof.
"Purchase Price" shall have the meaning set forth in Section 1.02.
"Purchased Stock" shall have the meaning set forth in Section 1.01.
"Real Property" shall mean, collectively, the York Bronze Real Property, the OMC Real Property and the Sub 1 Real Property, together with any and all buildings and other improvements located thereon.
"Registered Intellectual Property" shall have the meaning set forth in Section 2.11(a).
"Reportable Event" shall have the meaning set forth in ERISA Section 4043.
"Sub 1" shall have the meaning set forth in the Recitals.
"Sub 1 Asset Transfer" shall have the meaning set forth in the Recitals.
"Sub 1 Asset Transfer Agreements" shall mean the bills of sale, assignments, deeds and other documents, agreements, instruments and certificates executed and delivered in connection with the Sub 1 Asset Transfer.
"Sub 1 Common Stock" shall have the meaning set forth in Section 2.03(c)(i).
"Sub 1 Equipment" shall have the meaning set forth in Section 2.07(b)(iii).
"Sub 1 Equipment Instruments" shall have the meaning set forth in Section 2.07(b)(vi).
"Sub 1 Intellectual Property" shall have the meaning set forth in Section 2.11(a).
"Sub 1 Preferred Stock" shall have the meaning set forth in Section 2.03(c)(i).
"Sub 1 Products" shall have the meaning set forth in Section 2.11(a).
"Sub 1 Real Property" shall have the meaning set forth in Section 2.07(a)(iii).
"Sub 1 Real Property Instruments" shall have the meaning set forth in Section 2.07(a)(iii).
"Sub 1 Registered Intellectual Property" shall have the meaning set forth in Section 2.11(a).
"Sub 1 Stock" shall have the meaning set forth in Section 2.03(c)(i).
"Subsidiaries" shall have the meaning set forth in the Recitals.
"Subsidiary Intellectual Property" shall have the meaning set forth in Section 2.11(a).
"Subsidiary Permits" shall have the meaning set forth in Section 2.13(a).
"Subsidiary Products" shall have the meaning set forth in Section 2.11(a).
"Tax" or "Taxes" shall mean any United States Federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, environmental (including taxes under Code Section 59A), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative minimum, estimated or other tax of any kind whatsoever, including any interest, penalty or addition thereto, whether disputed or not.

"Tax Return" shall mean any return, declaration, report, claim for refund or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.
"Third-Party Claim" shall have the meaning set forth in Section 5.05(b) hereof.
"Trademarks" shall have the meaning set forth in Section 2.11(a)(v).
"Transaction Documents" shall mean this Agreement, the License Agreement, the Preferred Provider Agreement, the Asset Purchase Agreement and the Sub 1 Asset Transfer Agreements.
"URLs" shall have the meaning set forth in Section 2.11(a)(iii).
"Worker Safety Laws" shall have the meaning set forth in Section 2.19.
"York" shall have the meaning set forth in the preamble hereto.
"York Bronze" shall have the meaning set forth in the Recitals.
"York Bronze Common Stock" shall have the meaning set forth in Section 1.01.
"York Bronze Equipment shall have the meaning set forth in Section 2.07(b)(ii).
"York Bronze Equipment Instruments" shall have the meaning set forth in Section 2.07(b)(iv).
"York Bronze Intellectual Property" shall have the meaning set forth in Section 2.11(a).
"York Bronze Products" shall have the meaning set forth in Section 2.11(a).
"York Bronze Purchased Shares" shall have the meaning set forth in Section 1.01.
"York Bronze Real Property" shall have the meaning set forth in Section 2.07(a)(i).
"York Bronze Real Property Instruments" shall have the meaning set forth in Section 2.07(a)(i).
"York Bronze Registered Intellectual Property" shall have the meaning set forth in Section 2.11(a).
"York Designee" shall have the meaning set forth in Section 4.05(a).
"York's knowledge" and similar phrases shall mean the actual personal knowledge of any of Thomas Crawford, Cristen Cline, Daniel Malone, Kenneth Smith, Robert Monteleone or David Beck.

ARTICLE VII
Miscellaneous

7.01 Further Assurances. From time to time at the request of the other party hereto and without further consideration, Matthews, Empire and York will execute and deliver such further instruments of conveyance and transfer as the other party may reasonably request in order to consummate the transactions contemplated herein.

7.02 Expenses. York will pay from the proceeds of sale all costs and expenses attributable to the performance of and compliance with all agreements and conditions contained in this Agreement to be performed or complied with by York or to be performed or complied with by the Subsidiaries prior to the Closing, including, without limitation, all accounting and legal fees and expenses of York and of each of the Subsidiaries accrued prior to the Closing. Matthews and Empire will pay all costs and expenses attributable to the performance of and compliance with all agreements and conditions contained in this Agreement to be performed or complied with by Matthews and Empire or to be performed by the Subsidiaries after the Closing, including, without limitation, all accounting and legal fees and expenses of Matthews, Empire and of each of the Subsidiaries accrued after the Closing.

7.03 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania.

7.04 Entire Agreement; Modification; Waiver. This Agreement, including the exhibits, schedules and appendices hereto, constitutes the entire Agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties and there are no warranties, representations or other agreements, express or implied, made by any party to any other party in connection with the subject matter hereof except as specifically set forth herein or in documents delivered pursuant hereto. To the fullest extent permitted by law, unless otherwise expressly provided for herein, no supplement, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any provision of this Agreement shall be deemed or shall

constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

7.05 Notices. All notices, demands, claims, requests, undertakings, consents, opinions and other communications which may or are required to be given hereunder or with respect hereto shall be in writing, shall be given either by personal delivery or by mail, facsimile transmission (with confirmation of receipt), telegraph, telex or similar means of communication, and shall be deemed to have been given or made when delivered, if personally delivered, and otherwise when received, addressed to the respective parties as follows:

If to Matthews or to Empire:

Matthews International Corporation
Two Northshore Center
Pittsburgh, PA 15212
Attn: Edward Boyle, CFO
Facsimile: 412-442-8290

With a copy which shall not constitute notice to:

Reed Smith LLP
Attn: Pasquale D. Gentile, Esq.
435 Sixth Avenue
Pittsburgh, PA 15219
Facsimile: 412-288-3063

If to York:

The York Group, Inc.
8554 Katy Freeway
Suite 200
Houston, TX 77024
Attn: Legal Department
Facsimile: 713-984-5517

With a copy which shall not constitute notice to:

Locke Liddell & Sapp LLP
Attn: David F. Taylor, Esq.
3400 Chase Tower
600 Travis Street
Houston, TX 77002
Facsimile: 713-223-3717

7.06 Counterparts. This Agreement may be executed in as many counterparts as may be deemed necessary and convenient, and by the different parties hereto on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument.

7.07 Matters of Construction, Interpretation and the Like.
(a) Construction. Matthews, Empire and York have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by Matthews, Empire and York and no presumption or burden of proof shall arise favoring or disfavoring either Matthews, Empire or York because of the authorship of any of the provisions of this Agreement. Any reference to any United States Federal, state, local or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. Unless the context of this Agreement otherwise requires, (a) words of any gender are deemed to include each other gender; (b) words using the singular or plural number also include the plural or singular number, respectively; (c) the terms "hereof," "herein," "hereby," "hereto," and derivative or similar words refer to this entire Agreement; (d) the terms "Article" or "Section" refer to the specified Article or Section of this Agreement; (e) the term "party" means, on the one hand, Matthews, on the other hand, York, (f) the word "including" means "including without limitation"; and (g) all references to "dollars" or "$" refer to currency of the United States of America. The exhibits and schedules specified in this Agreement are incorporated herein by reference and made a

part hereof. The article and section headings hereof are for convenience only and shall not affect the meaning or interpretation of this Agreement.

(b) Severability. The invalidity or unenforceability of one or more of the provisions of this Agreement in any situation in any jurisdiction shall not affect the validity or enforceability of any other provision hereof or the validity or enforceability of the offending provision in any other situation or jurisdiction.

7.08 No Third-Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any Person other than Matthews, Empire, York, and their respective successors and permitted assigns.

7.09 Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the parties named herein and their respective successors and permitted assigns. No party may assign this Agreement or any of such party's rights, interests or obligations hereunder without the prior written approval of the other parties hereto.

7.10 Time of Essence. With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

7.11 Noncompetition.
(a) Non-Disclosure of Confidential Information. York agrees to, and to cause its Affiliates to, use commercially reasonable efforts to hold and safeguard the Confidential Information known or held by such Person in trust for the benefit of Matthews, Empire and the Subsidiaries, and agrees that it shall not, without the prior written consent of Matthews or of Empire, misappropriate or disclose or make available to anyone for use outside York at any time, any of the Confidential Information.

(b) Restrictions on Competition. York covenants and agrees for itself and on behalf of its direct and indirect subsidiaries (for so long as they are subsidiaries of York) that for a period of two (2) years following the Closing, such Persons shall not, anywhere in North America, engage, directly or indirectly, whether as principal or as agent, consultant, shareholder (other than as a shareholder of York Bronze and OMC until the Liquidation occurs), or otherwise, alone or in association with any other Person, corporation or other entity, in any Competing Business. For purposes of this Agreement, the term "Competing Business" shall mean the business of manufacturing bronze urns, bronze niche units, or bronze memorial or architectural products. Competing Business shall exclude the use, marketing, distribution and sale of bronze urns, bronze niche units and bronze memorial and architectural products.

(c) Remedies. In the event of a breach by any of York or its Affiliates of the terms of this Section 7.11, Matthews and/or Empire shall be entitled, if it or they shall so elect, to institute legal proceedings to obtain damages for any such breach, or to enforce the specific performance of this Agreement by such Person and to enjoin such Person from any further violation of this Agreement and to exercise such remedies cumulatively or in conjunction with all other rights and remedies provided by law. York acknowledges, however, that the remedies at law for any breach by it of the provisions of this Agreement may be inadequate and that Matthews and/or Empire shall be entitled to injunctive relief against it in the event of any breach.

(d) Authorization to Modify Restrictions. It is the intention of the parties that the provisions of Section 7.11 hereof shall be enforceable to the fullest extent permissible under applicable law, but that the unenforceability (or modification to conform to such law) of any provision or provisions hereof shall not render unenforceable, or impair, the remainder thereof. If any provision or provisions hereof shall be deemed invalid or unenforceable, either in whole or in part, this Agreement shall be deemed amended to delete or modify, as necessary, the offending provision or provisions and to alter the bounds thereof in order to render it valid and enforceable.

[Signature page to follow]

IN WITNESS WHEREOF, the parties hereto have duly executed this Stock Purchase

Agreement or have caused this Stock Purchase Agreement to be duly executed as of the date first above written.

MATTHEWS INTERNATIONAL CORPORATION

By David M. Kelly

Title President

EMPIRE STOCK CORP.

By David M. Kelly

Title President

THE YORK GROUP, INC.

By Thomas J. Crawford

Title CEO & President

Schedule 4.04
Environmental Response Activities

(1) Those matters set forth in York's notice letter dated March 16, 2001, from Locke Liddell & Sapp LLP to the Shareholder Representatives ("Notice Letter") regarding notice of claims for indemnification under the Colonial Guild Merger Documents.

(2) Those matters set forth in the Response Activities Agreement of the OMC Merger Documents.

(3) Preparation and implementation of a Storm Water Pollution Prevention Plan and receipt of a general storm water permit from the Texas Natural Resource Conservation Commission at the facility located in Bryan, Texas.

Schedule 4.05
Officers

President	David Kelly
Vice President	Thomas Crawford
Vice President	Edward Boyle
Vice President, Treasurer & Secretary	Cristen Cline

Schedule 1.01(a)
Asset Purchase Agreement
York Bronze Assets

All trade accounts receivable of York Bronze Company

All prepaid expenses of York Bronze Company
All inventories of York Bronze Company
All assets under construction of York Bronze Company

Schedule 1.01(b)
Asset Purchase Agreement
OMC Industries Assets

All trade accounts receivable of OMC Industries Company
All inventories of OMC Industries Company
All assets under construction of OMC Industries Company

EXHIBIT 10.2

MATTHEWS INTERNATIONAL CORPORATION

EMPIRE STOCK CORP.

THE YORK GROUP, INC.

YORK BRONZE COMPANY

AND

OMC INDUSTRIES, INC.

ASSET PURCHASE AGREEMENT

Dated as of May 24, 2001

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT ("Agreement") dated as of May 24, 2001, is entered into by and among MATTHEWS INTERNATIONAL CORPORATION, a Pennsylvania corporation ("Matthews"), EMPIRE STOCK CORP., a Delaware corporation ("Empire"), THE YORK GROUP, INC., a Delaware corporation ("York"), YORK BRONZE COMPANY, a Delaware corporation ("York Bronze"), and OMC INDUSTRIES, INC., a Texas corporation ("OMC") (each of York Bronze and OMC referred to at times herein as a "Company" and collectively as the "Companies"). Capitalized terms used in this Agreement which are not otherwise defined herein are defined in Article VI hereof.

WITNESSETH:

WHEREAS, York Bronze and OMC are both wholly-owned subsidiaries of York; and

WHEREAS, Empire is a wholly-owned subsidiary of Matthews; and

WHEREAS, the Companies manufacture commemorative products related to and for

use in the death care industry, such as bronze memorials, urns, flower vases, bronze plaques and crypt letters; and

WHEREAS, the Companies desire to sell and to assign to Empire, and Empire desires to purchase from the Companies, on the terms and conditions set forth herein, certain of the assets of the Companies; and

WHEREAS, subsequent to the date hereof, Empire shall purchase from York approximately 75% of the issued and outstanding shares of the capital stock of York Bronze and of OMC upon the terms and conditions set forth in that certain Stock Purchase Agreement dated as of May 24, 2001 (the "Stock Purchase Agreement") among Matthews, Empire and York; and

WHEREAS, as an inducement for York and the Companies to enter into this Agreement, Matthews has agreed to make representations, warranties, covenants, acknowledgments and agreements as set forth herein to York and the Companies for York's and the Companies' benefit hereunder.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein and intending to be legally bound hereby, the parties hereto covenant and agree as follows:

ARTICLE I
Purchase of Assets; Purchase Price

1.01 Purchase of Assets. (a) York Bronze does hereby sell, convey, assign, transfer and deliver to Empire, free and clear of all Liens, and Empire hereby purchases from York Bronze, for the consideration specified in Section 1.02 hereof, the assets of York Bronze set forth on Schedule 1.01(a) hereto (the "York Bronze Assets")

(b) OMC does hereby sell, convey, assign, transfer and deliver to Empire, free and clear of all Liens, and Empire hereby purchases from OMC, for the consideration specified in Section 1.02 hereof, the assets of OMC set forth on Schedule 1.01(b) hereto (the "OMC Assets" and, collectively with the York Bronze Assets, the "Assets").

1.02 Purchase Price for Assets. Empire hereby purchases the Assets and, in consideration therefor, concurrently herewith delivers via wire transfer in

immediately available funds (i) to York Bronze, Seven Million Seven Hundred and Ninety Thousand Dollars ($7,790,000) for the York Bronze Assets, and (ii) to OMC, One Million One Hundred Thousand Dollars ($1,100,000) for the OMC Assets (collectively, the "Purchase Price").

1.03 Allocation of Consideration. The Purchase Price shall be allocated among the Assets in accordance with the values agreed upon by Empire and the Companies. Such allocation shall be made in accordance with Section 1060 of the Code.

ARTICLE II
Representations and Warranties of York and the Companies

York and each of the Companies represent and warrant to Empire and to Matthews that the statements contained in this Article II are correct and complete as of the date of this Agreement, except (i) as contemplated by the Stock Purchase Agreement or any documents, disclosure schedules or transactions related thereto or contemplated thereby, (ii) as may result from or may be contemplated by the Sub 1 Asset Transfer or the Liquidation (as defined below) of York Bronze or OMC, and (iii) that each of the representations, warranties and statements in this Article II are qualified in their entirety by the Disclosure Schedules and the information set forth or referred to therein. Notwithstanding anything to the contrary in this Agreement, York makes no representations nor any warranties respecting the completeness, legality, effects or consequences of the Sub 1 Asset Transfer or the Liquidation of York Bronze and OMC.

2.01 Organization and Authority. (a) York Bronze is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. York Bronze (i) has full corporate power and authority to own and lease the property and assets it now owns and leases and to carry on its business as and where such property and assets are now owned or leased and such business is now conducted and (ii) except as set forth on Schedule

2.01(a), has not owned and does not now own directly or indirectly any debt or equity securities issued by any other corporation, or any interest in any partnership, joint venture or other business enterprise. Schedule 2.01(a) sets forth a true and complete list of each jurisdiction in which York Bronze is qualified to do business as a foreign corporation. The copies of the certificate of incorporation and bylaws of York Bronze, which have previously been delivered to Empire and/or to Matthews, are complete and correct and in either case have not been amended since March 31, 2001. There are no bankruptcy proceedings pending, contemplated by or, to either York's or York Bronze's knowledge, threatened against York Bronze.

(b) OMC is a corporation duly organized, validly existing and in good standing under the laws of the State of Texas. OMC (i) has full corporate power and authority to own and lease the property and assets it now owns and leases and to carry on its business as and where such property and assets are now owned or leased and such business is now conducted and (ii) except as set forth on Schedule 2.01(b), has not owned and does not now own directly or indirectly any debt or equity securities issued by any other corporation, or any interest in any partnership, joint venture or other business enterprise. Schedule 2.01(b) sets forth a true and complete list of each jurisdiction in which OMC is qualified to do business as a foreign corporation. The copies of the certificate of incorporation and bylaws of OMC, which have previously been delivered to Empire and/or to Matthews, are complete and correct and in either case have not been amended since March 31, 2001. There are no bankruptcy

proceedings pending, contemplated by or, to either York's or OMC's knowledge, threatened against OMC.

2.02 Due Authorization. The execution and delivery by York and each Company of this Agreement and the other Transaction Documents to which each is a party, the performance by York and each such Company of all the terms and conditions hereof and thereof to be performed by it and the consummation of the transactions contemplated hereby and thereby, have been duly authorized and approved by all necessary corporate proceedings on the part of York and each such Company. No other corporate proceeding on the part of York or either Company is necessary to approve and adopt this Agreement and each of the other Transaction Documents to which York and each such Company is a party and to consummate the transactions contemplated hereby and thereby. This Agreement and each of the other Transaction Documents to which York or either Company is a party have been duly and validly executed and delivered by York and each such Company and constitute the legal, valid and binding obligations of York and each such Company enforceable against York and each such Company in accordance with their respective terms, subject to bankruptcy, insolvency or other similar laws of general application affecting creditors' rights and general principles of equity.

2.03 Absence of Conflicts. Except as set forth in Schedule 2.03, neither the execution and delivery by York or either Company of this Agreement and the other Transaction Documents to which it is a party, the compliance by York or such Company with the terms and conditions hereof and thereof, nor the consummation by York or such Company of the transactions contemplated hereby or thereby will:
(a) conflict with any of the terms, conditions or provisions of the certificate of incorporation or bylaws of York or such Company,

(b) violate any provision of, or require any consent, authorization or approval under, any law or administrative regulation or any judicial administrative or arbitration order, award, judgment, writ, injunction or decree applicable to, or any Permit issued to, or notice to or filing with any Governmental Authority with respect to York or such Company or that portion of the Assets owned by such Company,

(c) to York's knowledge or such Company's knowledge, violate, conflict with, result in a breach of any provision of or the loss of any benefit under, constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, result in the termination of or a right of termination or cancellation under, accelerate the performance required by, or result in the creation of any Lien upon any of the properties or assets of such Company under, or require any consent, authorization or approval under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, Lien or other agreement, instrument for borrowed money, any guarantee of any agreement or instrument for borrowed money or any

license, lease or any other agreement or instrument to which York or such Company, or by which it or any of its properties or assets may be bound or affected, including without limitation that portion of the Assets owned by such Company,

(d) result in the creation of any Lien upon any of the properties or assets of such Company, including without limitation that portion of the Assets owned by such Company, or

(e) give to others any material rights or interests (including rights of purchase, termination, cancellation or acceleration), under any such indenture, mortgage, Lien, lease, agreement or instrument; except as would not have a Material Adverse Effect.

2.04 Financial Information. York and the Companies have heretofore furnished to Empire and/or to Matthews the financial statements and information with respect to the Companies described on Schedule 2.04 (the "Financial Statements"). The Financial Statements, in the context of their original use as part of the financial statements of the consolidated group of which York is the parent, and subject to such consolidated financial statements and the notes thereto as included in York's applicable SEC filings under the Securities Exchange Act of 1934, as amended, complied as to form in all material respects with applicable accounting requirements, were prepared in accordance with generally accepted accounting principles ("GAAP") consistently applied during the periods involved and fairly present:
(a) the balance sheet of the Companies as of March 31, 2001 and as of December 31, 2000 and 1999; and

(b) the results of operations and changes in financial position of the Companies for the three-month period ending March 31, 2001 and for the fiscal year ended December 31, 2000, and York Bronze for the fiscal year ended December 31, 1999.

The books and records of each of the Companies from which the Financial Statements were prepared properly and accurately reflect the transactions and activities which they purport to record except as would not have a Material Adverse Effect. Except as disclosed on Schedule 2.04 or as required by GAAP, neither York nor either of the Companies has, since March 31, 2001, made any change in the accounting practices or policies applied in the preparation of the Financial Statements.

2.05 Absence of Material Changes. Except as set forth on Schedule 2.05 or the Financial Statements, since December 31, 2000, there has not been:
(a) any Material Adverse Effect with respect to either Company or that portion of the Assets owned by each such Company, or any event, condition or state of facts which could be reasonably expected (i) to have a Material Adverse Effect on that portion of the Assets owned by each such Company, or (ii) to impair the ability of York or either such Company to perform their respective obligations under this Agreement,

(b) any damage, destruction, condemnation or loss, whether covered by insurance or not, which has had, or could reasonably be expected to have, a Material Adverse Effect on that portion of the Assets owned by either Company, or

(c) any material strikes or work stoppages against the operations of either Company relating to the conduct of its business or any injunction, order, writ or decree of any Governmental Authority against such strikes or work stoppages.

2.06 Title to Assets. Except as set forth in Schedule 2.06, (i) all of the York Bronze Assets are owned by York Bronze, free and clear of any and all Liens other than Permitted Liens, and (ii) all of the OMC Assets are owned by OMC, free and clear of any and all Liens other than Permitted Liens.

2.07 Material Contracts and Agreements. Schedule 2.07 identifies the following categories of material contracts, commitments and agreements of the Companies related to the Assets not otherwise identified in any other Schedule:
(a) contracts with any current officer or director of either of the Companies;

(b) contracts for the sale of any of the business, operations, properties or assets of either of the Companies, including without limitation that portion of the Assets owned by such Company, other than in the ordinary course of business, or for the grant to any Person of any preferential rights to purchase any of the business, operations, properties or assets of either of the Companies, including without limitation that portion of the Assets owned by such Company, other than inventory in the ordinary course of business;

(c) contracts containing covenants of either of the Companies not to compete in any line of business or with any Person in any geographical area or covenants of any other Person not to compete with either of the Companies in any line of business or in any geographical area;

(d) all other agreements, contracts or instruments for either of the Companies which, (i) involve purchases after the date hereof of more than $50,000 from any one seller or group of related sellers, or (ii) involve sales or leases after the date hereof of more than $50,000 to any one buyer or lessee or group of related buyer or lessees;

(e) all other agreements contracts or instruments which are contracts, commitments or agreements or involve transactions with any Affiliate or subsidiary of either of the Companies other than York Bronze Trade Company, a West Virginia corporation; or

(f) all agreements, contracts, commitments or instruments otherwise material to the business, operations, properties or assets of any of either of the Companies, including without limitation that portion of the Assets owned by such Company.

The contracts, commitments and agreements listed on Schedule 2.07 are hereinafter called the "Contracts." York and the Companies have heretofore made available to Empire and/or to Matthews true and complete copies of all Contracts as in effect on the date hereof. Except as set forth in Schedule 2.07 or except as would not have a Material Adverse Effect, all Contracts are in full force and effect (other than those which have been duly performed), and are the legal, valid and binding obligations of the signatory Company, enforceable against such Company in accordance with their respective terms. Except as set forth on Schedule 2.07, there is no default, nor any event which with notice or the lapse of time or both will become a default, under any of the Contracts, by the signatory Company or any other party thereto, and no consent, waiver, approval or authorization is required under any of the Contracts as a result of the execution of this Agreement or the consummation of the transactions contemplated hereby except as would not have a Material Adverse Effect.

2.08 Governmental Licenses and Permits; Consents. (a) Except as disclosed in the Disclosure Schedules, each Company is in possession of all franchises, grants, authorizations, licenses, permits, charters, easements, variances, exceptions, consents, certificates, approvals and orders of any Governmental Authority (collectively, "Permits") necessary for such Company to own, lease and operate its properties or to carry on its business except as would not have a Material Adverse Effect (the "Company Permits"), and no suspension or

cancellation of any of the Company Permits is pending or, to the knowledge of York or such Company, threatened except as would not have a Material Adverse Effect.

(b) No consents or approvals or filings or registrations with any Governmental Authority, or under any third party contract, are required to be made by York or either of the Companies or obtained by York or either of the Companies in connection with (i) the execution and delivery by York and the Companies of this Agreement and the other Transaction Documents, and (ii) the consummation by York and the Companies of the transactions contemplated by this Agreement.

2.09 Indebtedness and Commitments. Schedule 2.09 hereto identifies each indenture, mortgage, promissory note, or other instrument for borrowed money under which either of the Companies has outstanding any indebtedness, guaranty or liability for borrowed money or the deferred purchase price of property or has the right or obligation to incur any such indebtedness, guaranty or liability in each case in excess of $50,000 (the "Debt Instruments"). York and the Companies have heretofore made available to Empire and/or to Matthews true and complete copies of each of the Debt Instruments as in effect on the

date hereof. Except as set forth in Schedule 2.09 and except as would not have a Material Adverse Effect, there is no event of default or condition or event which, with the giving of notice or the lapse of time or both, could become an event of default under any of the Debt Instruments.

2.10 Taxes. Except as set forth in Schedule 2.10 hereto:
(a) York and each of the Companies has prepared and executed and duly filed when due all United States Federal, state and other Tax Returns required to be filed by applicable laws and regulations and have duly and timely paid all Taxes or installments thereof that are due with respect to such Tax Returns;

(b) there are no Liens with respect to Taxes upon any of the assets of either of the Companies, other than Liens with respect to Taxes that are not yet due or remain payable without penalty or are being contested in good faith and by appropriate proceedings;

(c) there are no agreements, waivers or arrangements by York or either of the Companies for the extension of the time for the assessment of any amounts of Tax, and no power of attorney granted by York or either of the Companies with respect to any Taxes is currently in effect. No closing agreement under Section 7121 of the Code or any similar provision of any state or local law has been entered into by or with respect to either of the Companies;

(d) all United States Federal, state and local income Tax Returns of York and each of the Companies for each year to and including the year ended December 31, 1996 have been examined by or accepted as filed with the relevant Tax authorities and any asserted deficiencies settled and paid;

(e) there have been no deficiencies proposed as a result of the examination of any United Stated Federal, state or other Tax Returns filed by York or either of the Companies. No audit or other proceeding by any Governmental Authority is pending or, to the knowledge of York or the Companies, threatened with respect to any Taxes due from or with respect to York or either of the Companies or any Tax Return filed by or with respect to York or either of the Companies, and no assessment of Tax, has been proposed and delivered in writing against York or either of the Companies or any of their respective assets;

(f) Neither York nor the Companies has filed or consented to the filing of any United States Federal or state consolidated income Tax Return with any other Person (other than a group the common parent of which was York) during the three (3) years immediately preceding the date hereof;

(g) Neither York nor the Companies has any liability or potential liability with respect to any consolidated Tax Return filed or to be filed by any Person (other than a group the common parent of which is York);

(h) Neither York nor the Companies has consented to the application to it of Section 341(f)(2) of the Code;

(i) Each Company has duly and timely withheld from employee salaries, wages, and other compensation and paid over to the appropriate Taxing authorities all amounts required to be so withheld and paid over for all periods under all applicable laws.

2.11 Insurance. York and the Companies have made available to Empire and/or to Matthews complete and correct copies of all insurance policies insuring the Companies as in effect on the date hereof. One or more of York and the Companies has in effect insurance coverage for the Companies with one or more reputable insurer, which in respect of amounts, premiums, types and risks insured, constitutes reasonably adequate coverage against all risks customarily insured against by companies of comparable size and with similar operations.

2.12 Litigation and Claims. Except as set forth in Schedule 2.12:
(a) There are no actions, suits or proceedings pending or threatened against York or either of the Companies or any of their respective directors, officers or employees, that portion of the Assets owned by the Companies, relating to the transactions contemplated by this Agreement, or which could reasonably be expected, if adversely determined, to delay, prevent or hinder the consummation of the transactions contemplated by this Agreement,

(b) Neither York nor the Companies nor any of their respective directors, officers or employees has been charged with violating or threatened in writing with a charge of violating, any provision of any United States Federal, state, local or foreign law or administrative ruling or regulation, and

(c) Neither York nor the Companies has received any currently effective notice of any default, nor to such York's or such Company's knowledge is in default, under any order, writ, injunction, decree or Permit of any Governmental Authority.

Except as set forth in Schedule 2.12 or elsewhere on the Disclosure Schedules, to York's and each Company's knowledge there is no investigation of the business, operations, properties or assets of such Company, including without limitation that portion of the Assets owned by such Company, being conducted by any Governmental Authority.

2.13 Compliance with Laws. Except as would not have a Material Adverse Effect or except as set forth in Schedule 2.13, to York's and each Company's knowledge such Company (i) is in compliance with all laws, regulations, orders, judgments or decrees of any Governmental Authority provided that no representation is made as to Environmental Laws and (ii) has made and is current with respect to all filings, reports, certificates, returns and other documentation and writings required to be furnished at any time or from time to time to any Governmental

Authority, and all such materials so furnished were true, correct and complete, all amounts shown as due thereon have been paid in full or appropriately reserved for and based on the affairs, revenues, enrollment or other applicable measure of operations or assets during the period in question, each such filing, report, certificate, return or other document or writing correctly stated and reported the amount due.

2.14 Environmental and Occupational Safety Matters. With respect to all applicable federal, state, local, regional and foreign laws, rules and regulations, orders, decrees, common law, judgments, permits and licenses relating to public and worker health and safety (collectively, "Worker Safety Laws") and relating to the protection, regulation and clean-up of the indoor and outdoor environment, including, without limitation, those relating to the generation, handling, disposal, transportation or release of hazardous or toxic materials, substances, wastes, pollutants and contaminants including, without limitation, asbestos, petroleum, radon and polychlorinated biphenyls (collectively, "Environmental Laws") York has in good faith made reasonable efforts to disclose on Schedule 2.14 and during due diligence any matter which, to York's or the Companies' knowledge, could have a Material Adverse Effect, but otherwise makes no statements, representations or warranties and Empire and Matthews take the Assets "AS IS, WHERE IS" AND "WITH ALL FAULTS" with respect to such Environmental Laws and Worker Safety Laws.

2.15 Brokers' Fees. Neither York nor either of the Companies has incurred any liability for brokerage fees, finder's fees, agent's commissions or other similar forms of compensation in connection with this Agreement or any transaction contemplated hereby for which Empire or Matthews will be responsible.

2.16 Contingencies. Except for:
(a) liabilities which are disclosed and fully provided for in the most recent balance sheet referred to in Section 2.04,

(b) liabilities incurred in the usual and ordinary course of business of each of the Companies subsequent to the date of such balance sheet and on or prior to the Closing Date,

(c) liabilities disclosed in Schedule 2.16 to this Agreement, and

(d) liabilities relating to Environmental Laws,
neither of the Companies has any material liabilities or obligations (absolute or contingent, known or unknown, asserted or unasserted), including without limitation contingent liability for the performance of any obligation by any other Person.

2.17 Condition of Tangible Assets. To the knowledge of York and the Companies, no tangible Assets which are material to the operations of the

Subsidiaries are reasonably likely to be unavailable for use (except to the extent scheduled to be repaired or replaced) in the ordinary course of business during the next three months succeeding the date of this Agreement or except as would not have a Material Adverse Effect. Subject to the previous sentence and the representations and warranties set forth elsewhere in this Agreement, the assets of each of the Subsidiaries shall be accepted by Empire and Matthews in its "AS IS" "WHERE IS" AND "WITH ALL FAULTS" condition, with any and all faults, defects and conditions, without representation or warranty of any kind, express, implied, statutory or otherwise, including, without limitation, any warranty as

to habitability, suitability, merchantability, condition or fitness, fitness for a particular purpose or fitness for any purpose.

2.18 Inventory. The inventory of each of the Companies constituting part of the Assets is taken and shall be accepted by Empire and Matthews in its "AS IS" "WHERE IS" AND "WITH ALL FAULTS" condition, with any and all faults, defects and conditions, without representation or warranty of any kind, express, implied, statutory or otherwise, including, without limitation, any warranty as to habitability, suitability, merchantability, condition or fitness, fitness for a particular purpose or fitness for any purpose.

2.19 Books and Records. Except as would not have a Material Adverse Effect, the minute books and other similar records of each of the Companies contain a true and complete record of all actions taken at all meetings and by all written consents in lieu of meetings of such Company's stockholders, boards of directors, and committees thereof. Such books and records have been maintained in accordance with good business and bookkeeping practices.

2.20 Warranties. The accrual for warranty related expenses as of December 31, 2000 reported in York's audited financial statements for the year ended December 31, 2000, adequately reflects an amount required for satisfaction of warranty claims due in respect of goods sold or services provided by each Company prior to such date, except as would not have Material Adverse Effect. Such provision has been established in accordance with GAAP, except as would not have Material Adverse Effect. Neither Company has agreed to provide any express product or service warranties other than standard warranties, the terms of which York and the Companies have made available to Empire and/or to Matthews and identified as such Company's standard warranties.

2.21 Restrictions on Business Activities. There is no agreement, commitment, judgment, injunction, order or decree binding upon either of the Companies or to which either of the Companies is a party which has or could reasonably be expected to have the effect of prohibiting or materially impairing any business practice of such Company, any acquisition or transfer of property by York or such Company or the conduct of business by such Company, as currently conducted.

ARTICLE III
Representations and Warranties of Matthews and Empire

Matthews and Empire represent and warrant to York and the Companies that the statements contained in this Article III are correct and complete.

3.01 Organization and Authority. (a) Empire is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Empire has the corporate power and authority to execute and deliver this Agreement and each of the other Transaction Documents to which it is a party and to perform its obligations hereunder and thereunder. There are no dissolution, liquidation or bankruptcy proceedings pending, contemplated by or, to the knowledge of Matthews or Empire, threatened against Empire.

(b) Matthews is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania. Matthews has the corporate power and authority to execute and deliver this Agreement and each of the other Transaction Documents to which it is a party and to perform its obligations hereunder and thereunder. There are no dissolution, liquidation or

bankruptcy proceedings pending, contemplated by or, to the knowledge of Matthews or Empire, threatened against Matthews.

3.02 Due Authorization. (a) The execution and delivery by Empire of this Agreement and each of the other Transaction Documents to which it is a party, the performance by it of all the terms and conditions hereof and thereof to be performed by it and the consummation of the transactions contemplated hereby and thereby have been duly authorized and approved by all necessary corporate proceedings on the part of Empire. No other corporate proceeding on the part of Empire is necessary to approve and adopt this Agreement and each of the other Transaction Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. This Agreement and the other Transaction Documents to which Empire is a party have been duly and validly executed by Empire and constitute the legal, valid and binding obligations of Empire enforceable against Empire in accordance with their respective terms, subject to bankruptcy, insolvency or other similar laws of general application affecting creditors' rights and general principles of equity.

(b) The execution and delivery by Matthews of this Agreement and each of the other Transaction Documents to which it is a party, the performance by it of all the terms and conditions hereof and thereof to be performed by it and the consummation of the transactions contemplated hereby and thereby have been duly authorized and approved by all necessary corporate proceedings on the part of Matthews. No other corporate proceeding on the part of Matthews is necessary to approve and adopt this Agreement and each of the other Transaction Documents to which it is a party and to consummate the transaction contemplated hereby and thereby. This Agreement and the other Transaction Documents to which Matthews is a party have been duly and validly executed by Matthews and constitute the legal, valid and binding obligations of Matthews enforceable against Matthews in accordance with their respective terms, subject to bankruptcy, insolvency or other similar laws of general application affecting creditors' rights and general principles of equity.

3.03 Absence of Conflicts. The execution and delivery by each of Empire and Matthews of this Agreement and each of the other Transaction Documents to which it is a party, the compliance by each of Empire and Matthews with the terms and conditions hereof and thereof, and the consummation by each of Empire and Matthews of the transactions contemplated hereby and thereby will not:
(a) conflict with any of the terms, conditions or provisions of the articles of incorporation or bylaws of either of Empire or Matthews,

(b) violate any provision of, or require any consent, authorization or approval under, any law or administrative regulation or any judicial, administrative or arbitration order, award, judgment, writ, injunction or decree applicable to, or any Permit issued to, or notice to or filing with any Governmental Authority with respect to either of Empire or Matthews,

(c) violate, conflict with, result in a breach of any provision of or the loss of any benefit under, constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, or require any consent, authorization or approval under, any of the terms conditions or provisions of any note, bond mortgage, indenture, Lien or other agreement, instrument for borrowed money, any guarantee of any agreement or instrument for borrowed money or any license, lease or any other agreement or instrument to which either of Empire or Matthews is a party or by which it is bound or to which any of its properties or assets is subject,

(d) result in the creation of any Lien upon any of the assets of either of Empire or Matthews, or

(e) give to others any material rights or interests (including rights of purchase, termination, cancellation or acceleration) under any such indenture, mortgage, Lien, lease, agreement or instrument, which, with respect to the matters specified in clauses (b) through (e) of this Section 3.03 could reasonably be expected to delay, prevent or hinder in any material respect the transactions contemplated hereby.

3.04 Litigation and Claims. There are no actions, suits or proceedings pending or, to the knowledge of Matthews or Empire, threatened against either of Empire or Matthews which could reasonably be expected, if adversely determined, to delay, prevent or hinder the consummation of the transactions contemplated by this Agreement.

3.05 Brokers' Fees. Neither Empire nor Matthews has incurred any liability for brokerage fees, finder's fees, agent's commissions or other similar forms of compensation in connection with this Agreement or any transactions contemplated hereby for which York or the Companies will be responsible.

3.06 Governmental Approvals. No consents or approvals of or filings or registrations with Governmental Authority, or with any third party are required to be made or obtained by either of Empire or Matthews in connection with (i) the execution and delivery by each of Empire and Matthews of this Agreement and the other Transaction Documents and (ii) the consummation by each of Empire and Matthews of the transactions contemplated by this Agreement.

3.07 Warranties. YORK AND THE COMPANIES HAVE NOT MADE, AND YORK AND THE COMPANIES HEREBY EXPRESSLY DISCLAIM AND NEGATE, ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND OR NATURE WHATSOEVER, RELATING TO ANY IMPLIED OR EXPRESSED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR ANY IMPLIED OR EXPRESSED WARRANTY CONCERNING ENVIRONMENTAL CONDITION, ZONING, FLOODING OR DRAINAGE CHARACTERISTICS, WETLANDS STATUS, FAULTING CHARACTERISTICS OR SOIL CONDITIONS WITH RESPECT TO THE COMPANIES AND THE ASSETS. EMPIRE AND MATTHEWS ACKNOWLEDGE THAT ENVIRONMENTAL PERMITS ARE REQUIRED FOR EMPIRE TO OWN AND OPERATE CERTAIN OF THE ASSETS AND THAT LICENSES OR OTHER APPROVALS MAY BE REQUIRED TO OPERATE CERTAIN OF THE ASSETS. EMPIRE AND MATTHEWS ACKNOWLEDGE AND AGREE THAT CERTAIN OF THE ENVIRONMENTAL PERMITS OF THE COMPANIES OR THE ASSETS AND ANY APPLICABLE LICENSES NECESSARY TO OPERATE SUCH ASSETS MAY NOT BE FREELY ASSIGNABLE TO EMPIRE. EMPIRE AND MATTHEWS ACKNOWLEDGE AND AGREE THAT UNDER SOME CIRCUMSTANCES THERE MAY BE A PERIOD OF TIME BETWEEN ACQUISITION OF AN ASSET AND ISSUANCE, REISSUANCE OR TRANSFER OF A PERMIT BY A GOVERNMENTAL AUTHORITY, AND, SUBJECT TO THE OBLIGATIONS OF YORK UNDER THIS AGREEMENT TO COOPERATE WITH AND ASSIST EMPIRE IN CONNECTION THEREWITH, EMPIRE ASSUMES ALL RISKS RELATED THERETO, INCLUDING RISK OF FINES AND PENALTIES ASSOCIATED WITH ACQUISITION AND OPERATION OF AN ASSET PRIOR TO ISSUANCE, REISSUANCE OR TRANSFER OF A PERMIT OR LICENSE. IF ANY ENVIRONMENTAL PERMITS ARE ISSUED, REISSUED, OR TRANSFERRED TO EMPIRE, EMPIRE AND MATTHEWS UNDERSTAND AND ACKNOWLEDGE THAT THEY MAY CONTAIN DIFFERENT OR LESS FAVORABLE TERMS THAN THOSE ENVIRONMENTAL PERMITS CURRENTLY HELD BY YORK OR THE COMPANIES. EMPIRE AND MATTHEWS ACKNOWLEDGE THAT THE PROVISIONS OF THIS SECTION 3.07 ARE A MATERIAL PORTION OF THE INDUCEMENT TO THE COMPANIES TO SELL THE ASSETS TO EMPIRE, AND THAT BUT FOR SUCH PROVISIONS, THE COMPANIES WOULD NOT SELL THE ASSETS TO EMPIRE.

ARTICLE IV
Covenants

4.01 Employees. (a) None of Matthews, Empire, the Companies nor York intends this Agreement to create any rights or interests, except as between Matthews, Empire, the Companies and York, and no present, former or future employee of Matthews, Empire, the Companies or York shall be treated as a third party beneficiary by, in or under this Agreement. Nothing in this Agreement shall affect the ability of Matthews or Empire to hire or terminate the employment of employees.

(b) York shall be liable for compliance with the WARN Acts insofar as they relate to any facilities closing, mass layoff or similar event which occurs before the Closing. Matthews and Empire shall be liable for compliance with the WARN Acts insofar as they relate to any facilities closing, mass layoff or similar event which occurs upon or after the Closing.

4.02 Financial Statements. York will cause its auditors to provide to Matthews and to Empire, on or prior to sixty five (65) days after the date hereof, the audited financial statements of the Companies which are necessary for Matthews to meet its reporting obligations under Items 2 and 7 of Form 8-K under the Securities Exchange Act of 1934, as amended. Matthews shall pay to York one half of the fees of York's auditors in connection with the same.

4.03 Tax Matters. Matthews, York and the Companies agree to furnish or cause to be furnished to each other, upon request, as promptly as practicable, such information and assistance relating to the Companies (including, without limitation, access to books and records) as is reasonably necessary for the filing of all Tax Returns, and making of any election related to Taxes, the preparation for any audit by any taxing authority, and the prosecution or defense of any claim, suit or proceeding relating to any Tax Return.

Matthews, York and the Companies will retain all books and records with respect to Taxes pertaining to the Companies for a period of at least six (6) years following the Closing. Matthews, York and the Companies will cooperate with each other in the conduct of any audit or other proceeding related to Taxes and each will execute and deliver such powers of attorney and other documents as are necessary to carry out the intent of this Section 4.03.

4.04 Uses of Names. (a) Effective from and after the Closing and up to December 31, 2001, York hereby grants the Matthews Group the nonexclusive, royalty-free right to use (without right of sublicense) the name "York Bronze" any derivative thereof and any corporate symbols or logos related thereto, but only in connection with the conduct and operation of the businesses of the Companies, provided, however, that the Matthews Group shall not represent or hold itself out as representing York and provided further, however, that the Matthews Group shall indemnify and hold harmless York from and Adverse Consequences incurred by York as a result of the Matthews Group's use of such names or symbols or logos.

(b) The Matthews Group acknowledges that, except for the limited right granted by this Section, the Matthews Group has no right or interest in the name "York" or any trade name, service name, trademark or service mark or logos relating thereto. Except as set forth in this Section, the Matthews Group shall not use any name, trade name, service mark, trademark, service mark or any related logos or symbols incorporating "York" in any manner whatsoever. Prior to December 31, 2001, the Matthews Group shall take all such action as is necessary to cause the

Companies to make all filings as necessary to change their corporate names to names that do not contain "York" or any substantially or confusingly similar name or reference, and thereafter, the Matthews Group shall take all such action as is necessary to cause the Matthews Group and its Affiliates to cease using any name, trade name, trademark or service mark or any related logos or symbols incorporating "York" in any manner whatsoever.

ARTICLE V
Remedies for Breaches of this Agreement

5.01 Survival of Representations, Warranties and Covenants. All of the representations, warranties and covenants of the parties contained in this Agreement shall survive the Closing (even if the damaged party knew or had reason to know of any misrepresentation or breach of warranty at the time of the Closing) and shall continue in full force and effect thereafter for a period of one (1) year; provided, that (a) Sections 7.01 and 7.02 shall survive for the applicable statute of limitations period and (b) Sections 5.03(a)(ii) and (iii) shall survive the Closing without limitation. MATTHEWS AND EMPIRE HEREBY WAIVE FROM AND AFTER CLOSING TO THE FULLEST EXTENT PERMITTED BY LAW, ANY AND ALL RIGHTS, CLAIMS, ACTIONS OR CAUSES OF ACTION EITHER OF THEM MAY HAVE AGAINST YORK AND ITS AFFILIATES RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT AND THE CERTIFICATES AND OTHER DOCUMENTS DELIVERED PURSUANT TO THIS AGREEMENT, OTHER THAN CLAIMS UNDER SECTIONS 5.02, 7.01 and 7.02 AND OF FRAUD AND RIGHTS, CLAIMS, ACTIONS AND CAUSES OF ACTION ARISING OUT OF A BREACH OF ANY COVENANT OR AGREEMENT OF YORK. FURTHER, EXCEPT AS PROVIDED IN SECTIONS 5.02, 7.01 AND 7.02 MATTHEWS AND EMPIRE WAIVE, RELEASE AND COVENANT NOT TO SUE YORK AND ITS AFFILIATES FOR ANY DAMAGES OF ANY KIND OR CHARACTER, ARISING UNDER ANY ENVIRONMENTAL LAW (STATUTORY, REGULATORY, COMMON LAW OR OTHERWISE) RELATING TO ANY DAMAGE, INCLUDING STRICT LIABILITY, INCURRED OR ALLEGEDLY INCURRED BY EITHER OF MATTHEWS OR EMPIRE. IN ADDITION, MATTHEWS AND EMPIRE COVENANT AND AGREE THAT NEITHER OF THEM SHALL FILE ANY CLAIMS WITH ANY INSURER OF YORK OR ITS AFFILIATES FOR RECOVERY UNDER ANY INSURANCE POLICIES COVERING YORK OR ITS AFFILIATES AND DO HEREBY WAIVE, IRREVOCABLY AND FOREVER AND TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHTS THEY MAY HAVE TO RECOVER UNDER SUCH INSURANCE POLICIES; PROVIDED, HOWEVER, THAT MATTHEWS SHALL HAVE THE RIGHT TO CLAIM AGAINST THE AMERICAN INTERNATIONAL SPECIALTY LINES INSURANCE COMPANY POLLUTION LEGAL LIABILITY SELECT POLICY, POLICY NUMBER PLS2674645, ISSUED TO YORK.

5.02 Indemnification Provisions for Benefit of Matthews and Empire. (a) Subject to the terms and conditions of this Article V, if there is any breach or inaccuracy of any of the representations, warranties or covenants of York or either of the Companies contained herein, or if any third party alleges facts that, if true, would mean that such a breach or inaccuracy existed, and provided that the Parent Group delivers to York, pursuant to Section 5.04

hereof, a claim for indemnification with respect to such alleged breach or inaccuracy, then York shall indemnify the Parent Group, from and against all Adverse Consequences that the Parent Group has suffered caused by, resulting from, arising out of or relating to such breach or inaccuracy through and after the date of such claim. For purposes of this Agreement, the "Parent Group" shall mean either or both of Matthews and Empire.

(b) York's obligations under Section 5.02(a) shall be subject to the following limitations:
(i) York shall not have any liability to the Parent Group for Adverse Consequences for any breach of the representations, warranties or covenants under this Agreement or the Stock Purchase Agreement to the extent the aggregate

amount of all such Adverse Consequences for which York would otherwise be liable under this Agreement and under Section 5.02(a) of the Stock Purchase Agreement exceeds Ten Million Dollars ($10,000,000);

(ii) York shall not have any liability to the Parent Group for Adverse Consequences for any breach of the representations or warranties under this Agreement or under the Stock Purchase Agreement unless and until the aggregate amount of all such Adverse Consequences relating thereto for which York would, but for this Section 5.02(b)(ii) or Section 5.02(b)(ii) of the Stock Purchase Agreement, be required to indemnify the Parent Group exceeds on a cumulative basis an amount (the "Basket Amount") equal to Five Hundred Thousand Dollars ($500,000), at which point York, subject to the further terms, conditions and limitations of this Agreement and the Stock Purchase Agreement, shall indemnify the Parent Group for all Adverse Consequences exceeding the Basket Amount;

(iii) if a reserve (in the form of an accrued Liability or an offset to an asset or similar item) was reflected in the Financial Statements relating to any matter for which the Parent Group would otherwise be entitled to indemnification under this Agreement or the Stock Purchase Agreement, then the calculation of the Parent Group's Adverse Consequences in respect of such matter shall be reduced by the full amount of the reserve as reflected in Financial Statements; and

(iv) the obligations to indemnify and hold the Parent Group harmless shall terminate as to each representation, warranty and covenant when each such representation, warranty or covenant terminates; provided, however, that such obligations to indemnify and hold harmless shall not terminate with respect to any item as to which the Parent Group shall have, prior to the expiration of the applicable period, previously made a claim by delivering an indemnification notice pursuant to Section 5.04 and in compliance with the requirements therefor, but only with respect to the content of, and on the basis set forth in, such indemnification notice.

(c) York's obligation to indemnify Parent Group under Section 5.02(a) shall not be affected or limited by Parent Group's obligation to indemnify York and its Affiliates under Section 5.03(a)(iii)(3).

5.03 Indemnification Provisions for Benefit of York.
(a) Subject to the terms and conditions of this Article V, Matthews and Empire shall have the following indemnification obligations:

(i) If there is any breach or inaccuracy of any of the representations, warranties or covenants of the Parent Group contained herein, or if any third party alleges facts that, if true, would mean that such a breach or inaccuracy existed, and provided that York delivers to the Parent Group pursuant to Section 5.04 hereof a claim for indemnification with respect to such alleged breach or inaccuracy, then Matthews and Empire, jointly and severally, shall indemnify York from and against all Adverse Consequences that York has suffered or may suffer caused by, resulting from, arising out of or relating to such breach or inaccuracy through and after the date of such claim.

(ii) Matthews and Empire, jointly and severally, shall also indemnify York and its Affiliates for any fines, penalties and Adverse Consequences relating to any recission (but not attorneys' fees) arising out of any violation of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder in connection with the transactions contemplated by this

Agreement, the Stock Purchase Agreement and any other agreements among the parties or their Affiliates.

(iii) Empire and Matthews, jointly and severally, shall indemnify York and its Affiliates from and against any and all Liabilities and other Adverse Consequences resulting from, arising out of or relating to (1) the Liquidation of OMC and/or York Bronze, (2) any attempt by a third party to recover any amount of the Actual York Liquidation Proceeds from York or its Affiliates, and (3) any failure by Sub 1 or any of its Affiliates to fully pay, perform or otherwise satisfy any of the Assumed Liabilities as defined in the Contribution, Assignment and Assumption Agreement dated as of May 21, 2001; provided, however, that Matthews and Empire shall not be required to indemnify York and its Affiliates under this Section 5.03(a)(iii)(3) if and only to the extent that (and only for so long as) Parent Group is entitled to indemnification from York under Section 5.02(a).

(b) The Parent Group's obligations under Section 5.03(a)(i) shall be subject to the following limitations:
(i) The Parent Group shall not have any liability for Adverse Consequences for any breach of representations, warranties or covenants under Section 5.03(a)(i) of this Agreement or Section 5.03(a)(i) of the Stock Purchase Agreement to the extent the aggregate amount of all such Adverse Consequences for which the Parent Group would otherwise be liable under Section 5.03(a)(i) of this Agreement and under Section 5.03(a)(i) of the Stock Purchase Agreement exceeds Ten Million Dollars ($10,000,000) Dollars;

(ii) The Parent Group shall not have any liability for Adverse Consequences for any breach of the representations or warranties under Section 5.03(a)(i) of this Agreement and Section 5.03(a)(i) of the Asset Purchase Agreement unless and until the aggregate amount of all such Adverse Consequences relating thereto for which the Parent Group would, but for this Section 5.03(b)(ii) or Section 5.03(b)(ii) of the Stock Purchase Agreement, be required to indemnify York exceeds on a cumulative basis a Basket Amount equal to Five Hundred Thousand Dollars ($500,000), at which point, the Parent Group, subject to the further terms, conditions and limitations of this Agreement and the Stock Purchase Agreement, shall indemnify York for all Adverse Consequences exceeding the Basket Amount; and

(iii) the obligations to indemnify and hold York harmless shall terminate as to each representation, warranty and covenant when each such representation, warranty or covenant terminates; provided, however, that such obligations to indemnify and hold harmless shall not terminate with respect to any item as to which York shall have, prior to the expiration of the applicable period, previously made a claim by delivering an indemnification notice pursuant to Section 5.04 and in compliance with the requirements therefor, but only with respect to the content of, and on the basis set forth in, such indemnification notice.

(c) Notwithstanding anything to the contrary in this Agreement or the Stock Purchase Agreement, the limitations set forth in Sections 5.03(b)(i), (ii) and (iii) above shall not apply to or otherwise limit in any manner the obligations of Matthews and Empire under Sections 5.03(a)(ii) and (iii) above.

5.04 Notice of Claim for Indemnification. No claim for indemnification hereunder shall be valid unless notice of such claim is delivered to the Parent Group (in the case of a claim by York) or to York (in the case of a claim by the

Parent Group) prior to or upon the date of expiration of the representation, warranty or covenant pursuant to which such indemnification is sought. Any such notice shall set forth in reasonable detail, to the extent known by the person giving such notice, the facts on which such claim is based and the estimated amount of Adverse Consequences resulting therefrom.

5.05 Matters Involving Third Parties. (a) If the Parent Group or York receives notice or acquires knowledge of any matter which may give rise to a claim by another Person and which may then result in a claim for indemnification under this Article V, then (i) if such notice or knowledge is received or acquired by the Parent Group, the Parent Group shall within twenty (20) days notify York thereof, and (ii) if such notice or knowledge is

received or acquired by York, York shall within twenty (20) days notify the Parent Group thereof; provided, however, that no delay in giving such notice shall diminish any obligation under this Article V to provide indemnification unless (and then solely to the extent that) the party from whom such indemnification is sought is prejudiced. Thereafter, the party seeking indemnification (the "Indemnified Party") shall deliver to the party from whom such indemnification is sought (the "Indemnifying Party"), within five business days after the Indemnified Party's receipt thereof, copies of all notices, correspondence and documents (including, without limitation, court papers) received by the Indemnified Party relating to the Third Party Claim.

(b) The Indemnifying Party shall have the right to defend against such claim by another Person (the "Third Party Claim") with counsel of the Indemnifying Party's choice reasonably satisfactory to the Indemnified Party so long as (within thirty (30) days after the Indemnified Party has given notice of the Third Party Claim to the Indemnifying Party, the Indemnifying Party notifies the Indemnified Party that the Indemnifying Party will indemnify the Indemnified Party from and against all Adverse Consequences the Indemnified Party may suffer caused by, resulting from, arising out of or relating to such Third Party Claim and the Indemnifying Party conducts the defense of the Third Party Claim actively and diligently. Notwithstanding any acknowledgement made pursuant to Section 5.05(b)(i), York shall continue to be entitled to assert any defense to or limitation on its indemnification responsibility contained in Section 5.02.

(c) So long as the Indemnifying Party is conducting the defense of the Third Party Claim in accordance with Section 5.05(b) hereof, (i) the Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defense of the Third Party Claim, it being understood, however, that the Indemnifying Party shall control such defense, and (ii) the Indemnified Party shall not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior consent of the Indemnifying Party. If the Indemnifying Party chooses to defend any Third Party Claim, the Indemnifying Party shall have the right to control the defense, compromise or settlement of such matter, and all the parties hereto shall cooperate in the defense or prosecution of such Third Party Claim. Such cooperation shall include the execution of documents necessary to effectuate any reasonable institutional controls that are required as part of a remedial action approved by a Governmental Authority, retention and (upon the Indemnifying Party's request) the provision to the Indemnifying Party of Records that are reasonably relevant to such Third Party Claim, and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Notwithstanding the foregoing, the Indemnifying Party shall not compromise or settle any Third Party Claim without the consent of the Indemnified Party, unless such compromise or settlement by the

Indemnifying Party involves only the payment of monetary damages by the Indemnifying Party and includes a full release of the Indemnified Party from all liability with respect to such Third Party Claim. If the Indemnifying Party, within a reasonable time after receipt of an Indemnification Notice relating to a Third Party Claim, chooses not to assume defense of a Third Party Claim or fails to defend such Third Party Claim actively and diligently, the Indemnified Party will (upon further notice) have the right to undertake the defense, compromise or settlement of such Third Party Claim or consent to the entry of judgment with respect to such Third Party Claim , on behalf of, and for the account and risk of, the Indemnifying Party, and the Indemnifying Party shall have no right to challenge the Indemnified Party's defense, compromise, settlement or consent to judgment, subject to the limitations on the Indemnifying Party's obligations pursuant to Section 5.02. The foregoing notwithstanding, in the event that the Indemnifying Party chooses not to assume defense of a Third Party Claim or fails to defend such Third Party Claim actively and diligently, but later chooses to assume defense of such Third Party Claim and gives notice to the Indemnified Party of such assumption, the Indemnifying Party shall, effective concurrently with the notice, control such defense, and the Indemnified Party shall not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior consent of the Indemnifying Party.

5.06 Exclusive Remedy. From and after the date hereof, the indemnification provisions of this Article V shall be the sole and exclusive remedy with respect to any and all claims relating to the subject matter of this Agreement

(or any related agreements, certificates and other documents, except to the extent otherwise expressly set forth therein) and no other remedy shall be had pursuant to any contract, misrepresentation, fraud or other tort theory or otherwise by Matthews or York and their respective officers, directors, employees, agents, Affiliates, attorneys, consultants, successors and assigns, all such remedies being hereby expressly waived to the fullest extent permitted under applicable Law. Without limitation, the procedures set forth in this Article V constitute the sole and exclusive remedy of Matthews and York and their Affiliates arising out of any breach or claimed breach of the representations and warranties set forth in Article II and Article III made as of the date of this Agreement relating to events occurring on or prior to the date hereof that become known to Matthews or York on, prior to or subsequent to the date hereof. In furtherance of the foregoing, except with respect to the rights of Matthews under this Agreement, Matthews hereby waives, from and after the date hereof, to the fullest extent permitted under applicable Law, any and all other rights, claims and causes of action it may have against York and its Affiliates relating to the subject matter of this Agreement arising under or based upon any federal, state, local or foreign Law or otherwise, including, without limitation, such rights, claims and causes of action Matthews may have against York under any Environmental Law or Worker Safety Law (Statutory, Regulatory Common Law or otherwise) or CERCLA.

ARTICLE VI
Definitions

Capitalized terms used herein and not defined shall have the meanings set forth in the Stock Purchase Agreement. As used herein the following terms have the following meanings:

"Adverse Consequences" shall mean all actions, suits, proceedings, hearings, investigations, charges, complaints, claims, demands, injunctions, judgments, orders, decrees, rulings, damages, dues, penalties, fines, costs, amounts paid in settlement, liabilities, obligations, Taxes, Liens, losses, expenses and fees, including court costs and reasonable attorneys' and accountants' fees and disbursements.

"Affiliate" shall mean a Person who, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the Person specified.

"Agreement" shall have the meaning set forth in the preamble hereto.

"Assets" shall have the meaning set forth in Section 1.01(b).

"Basket Amount" shall have the meaning set forth in Section 5.02(b).

"Closing" shall mean the sale and purchase of the Assets upon the signing of this Agreement.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Company" or "Companies" shall have the meaning set forth in the preamble hereto.

"Company Permits" shall have the meaning set forth in Section 2.08(a).

"Contracts" shall have the meaning set forth in Section 2.07.

"Debt Instruments" shall have the meaning set forth in Section 2.09.

"Disclosure Schedules" shall mean the disclosure schedules furnished by the Companies to Matthews and Empire and containing all lists, descriptions, exceptions, and other information and materials as are required to be included therein pursuant to this Agreement and the Stock Purchase Agreement.

"Empire" shall have the meaning set forth in the preamble hereto.

"Environmental Laws" shall have the meaning set forth in Section 2.14.

"Financial Statements" shall have the meaning set forth in Section 2.04.

"GAAP" shall have the meaning set forth in Section 2.04.

"Governmental Authority" shall mean any federal, state or local court, administrative agency or commission or other governmental authority or instrumentality except any of the same which regulate any antitrust laws.

"Indemnified Party" shall have the meaning set forth in Section 5.05(a).

"Indemnifying Party" shall have the meaning set forth in Section 5.05(a).

"Liability" whether or not capitalized, shall mean any liability (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due), including any liability for Taxes.

"Lien" shall mean any lien, mortgage, pledge, encumbrance, charge or other security interest other than Permitted Liens.

"Material Adverse Effect" shall mean an event, occurrence, fact, condition, change, development or effect that is materially adverse to the business, property, financial condition or results of operations of the Companies taken as a whole, or any other a specified Person, excluding specifically any such

event, occurrence, fact, condition, change, development or effect (a) resultant from changes in general economic or political conditions, (b) resultant from changes generally applicable to companies engaged in businesses or industries similar to those in which the specified Person is engaged, (c) resultant from the announcement of this Agreement or the transactions contemplated herein, (d) resultant from the announcement of any other transaction or transactions among York or one or more of its Affiliates and Matthews or one or more of its Affiliates, (e) resultant from any other transaction or transactions with respect to which York has prior to the date hereof announced (whether generally or specifically) its intention to investigate, evaluate or consummate, and (f) set forth in this Agreement or the Disclosure Schedules.

"Matthews" shall have the meaning set forth in the preamble hereto.
"Matthews Group" shall mean, collectively, Matthews, Empire and (after the Closing under the Stock Purchase Agreement) the Companies.
"OMC" shall have the meaning set forth in the preamble hereto.
"OMC Assets" shall have the meaning set forth in Section 1.01(b).
"Parent Group" shall have the meaning set forth in Section 5.02.
"Permits" shall have the meaning set forth in Section 2.08(a).
"Permitted Liens" shall mean (i) liens in respect of pledges or deposits under workers' compensation laws or similar legislation, carrier's, landlord's, workmen's, warehousemen's, mechanic's, laborer's, materialmen's or other similar liens or easements, covenants and encumbrances, if the obligations secured by same are not then delinquent; (ii) liens for current ad valorem Taxes, payments of which are not yet delinquent; (iii) liens relating to accounts payable incurred in the ordinary course of business and consistent with past practice; (iv) zoning and subdivision laws and regulations; and (v) such imperfections of title which do not materially detract from the value or current uses of the property.
"Person" shall mean any individual, partnership, joint venture, corporation, trust, unincorporated organization or government or any department or agency thereof.
"Purchase Price" shall have the meaning set forth in Section 1.02.
"Sub 1" shall mean York Bronze Trade Company, a West Virginia corporation.
"Stock Purchase Agreement" shall have the meaning set forth in the Recitals.
"Tax" or "Taxes" shall mean any United States Federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, environmental (including taxes under Code Section 59A), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative minimum, estimated or other tax of any kind whatsoever, including any interest, penalty or addition thereto, whether disputed or not.
"Tax Return" shall mean any return, declaration, report, claim for refund or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.
"Third-Party Claim" shall have the meaning set forth in Section 5.05(b) hereof.
"Transaction Documents" shall mean this Agreement, the Contribution, Assignment and Assumption Agreement referred to in Section 5.03(a)(iii), the Stock Purchase Agreement, the License Agreement, the Preferred Provider Agreement and all related agreements and documents.
"York" shall have the meaning set forth in the preamble hereto.
"York Bronze" shall have the meaning set forth in the preamble hereto.
"York Bronze Assets" shall have the meaning set forth in Section 1.01(a).
"York's knowledge" and "Company's knowledge" and similar phrases shall mean the actual personal knowledge of any of Thomas Crawford, Cristen Cline, Daniel Malone, Kenneth Smith, Robert Monteleone or David Beck.

ARTICLE VII
Miscellaneous

7.01 Further Assurances. From time to time at the request of the other party hereto and without further consideration, Matthews, Empire, York and the Companies will execute and deliver such further instruments of conveyance and transfer as the other party may reasonably request in order to consummate the transactions contemplated herein.

7.02 Expenses. York will pay from the proceeds of sale all costs and expenses attributable to the performance of and compliance with all agreements and

conditions contained in this Agreement to be performed or complied with by York or the Companies prior to the Closing, including, without limitation, all accounting and legal fees and expenses of York or the Companies accrued prior to the Closing. Matthews and Empire will pay all costs and expenses attributable to the performance of and compliance with all agreements and conditions contained in this Agreement to be performed or complied with by Matthews and Empire, after the Closing including, without limitation, all accounting and legal fees and expenses of Matthews and Empire accrued after the Closing.

7.03 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania.

7.04 Entire Agreement; Modification; Waiver. This Agreement, including the exhibits, schedules and appendices hereto, constitutes the entire Agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties and there are no warranties, representations or other agreements, express or implied, made by any party to any other party in connection with the subject matter hereof except as specifically set forth herein or in documents delivered pursuant hereto. To the fullest extent permitted by law, unless otherwise expressly provided for herein, no supplement, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

7.05 Notices. All notices, demands, claims, requests, undertakings, consents, opinions and other communications which may or are required to be given hereunder or with respect hereto shall be in writing, shall be given either by personal delivery or by mail, facsimile transmission (with confirmation of receipt), telegraph, telex or similar means of communication, and shall be deemed to have been given or made when delivered, if personally delivered, and otherwise when received, addressed to the respective parties as follows:

If to Matthews or to Empire:

Matthews International Corporation
Two Northshore Center
Pittsburgh, PA 15212
Attn: Edward Boyle, CFO
Facsimile: 412-442-8290

With a copy which shall not constitute notice to:

Reed Smith LLP
Attn: Pasquale D. Gentile, Esq.
435 Sixth Avenue
Pittsburgh, PA 15219
Facsimile: 412-288-3063

If to York or the Companies:

The York Group, Inc.
8554 Katy Freeway
Suite 200
Houston, TX 77024
Attn: Legal Department
Facsimile: 713-984-5517

With a copy which shall not constitute notice to:

Locke Liddell & Sapp LLP
Attn: David F. Taylor, Esq.
3400 Chase Tower
600 Travis Street
Houston, TX 77002
Facsimile: 713-223-3717

7.06 Counterparts. This Agreement may be executed in as many counterparts as may be deemed necessary and convenient, and by the different parties hereto on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument.

7.07 Matters of Construction, Interpretation and the Like.
(a) Construction. Matthews, Empire, the Companies and York have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by Matthews, Empire, the Companies and York and no presumption or burden of proof shall arise favoring or disfavoring either Matthews, Empire, the Companies or York because of the authorship of any of the provisions of this Agreement. Any reference to any United States Federal, state, local or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. Unless the context of this Agreement otherwise requires, (a) words of any gender are deemed to include each other gender; (b) words using the singular or plural number also include the plural or singular number, respectively; (c) the terms "hereof," "herein," "hereby," "hereto," and derivative or similar words refer to this entire Agreement; (d) the terms "Article" or "Section" refer to the specified Article or Section of this Agreement; (e) the term "party" means, on the one hand, Matthews, on the other hand, York, (f) the word "including" means "including without limitation"; and (g) all references to "dollars" or "$" refer to currency of the United States of America. The exhibits and schedules specified in this Agreement are incorporated herein by reference and made a part hereof. The article and section headings hereof are for convenience only and shall not affect the meaning or interpretation of this Agreement.

(b) Severability. The invalidity or unenforceability of one or more of the provisions of this Agreement in any situation in any jurisdiction shall not affect the validity or enforceability of any other provision hereof or the validity or enforceability of the offending provision in any other situation or jurisdiction.

7.08 No Third-Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any Person other than Matthews, Empire, the Companies, York and each of their respective successors and permitted assigns.

7.09 Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the parties named herein and their respective successors and permitted assigns. No party may assign this Agreement or any of such party's rights, interests or obligations hereunder without the prior written approval of the other parties hereto.

7.10 Time of Essence. With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

[Signature page to follow]

IN WITNESS WHEREOF, the parties hereto have duly executed this Asset Purchase Agreement or have caused this Asset Purchase Agreement to be duly executed as of the date first above written.

MATTHEWS INTERNATIONAL CORPORATION

By David M. Kelly

Title President

EMPIRE STOCK CORP.

By David M. Kelly

Title President

THE YORK GROUP, INC.

By Thomas J. Crawford

Title CEO & President

YORK BRONZE COMPANY

By Thomas J. Crawford

Title CEO & President

OMC INDUSTRIES, INC.

By Thomas J. Crawford

Title CEO & President

EXHIBIT 10.3

AGREEMENT AND PLAN OF MERGER

BY AND AMONG

MATTHEWS INTERNATIONAL CORPORATION,

EMPIRE MERGER CORP.

AND

THE YORK GROUP, INC.

Dated as of May 24, 2001

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AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER is entered into as of May 24, 2001 (this "Agreement") by and among MATTHEWS INTERNATIONAL CORPORATION, a Pennsylvania corporation ("Matthews"), EMPIRE MERGER CORP., a Delaware corporation and a wholly-owned subsidiary of Matthews ("Merger Sub"), and THE YORK GROUP, INC., a Delaware corporation ("York") (Matthews, Merger Sub and York being hereinafter collectively referred to as the "Constituent Corporations").

W I T N E S S E T H:

WHEREAS, the respective Boards of Directors of Matthews, Merger Sub and York have approved and declared advisable the merger of Merger Sub with and into York (the "Merger"), upon the terms and conditions set forth herein, whereby each issued and outstanding share of Common Stock of York, par value $.01 per share (the "York Common Stock"), together with any associated York preferred stock purchase rights ("York Rights"), not owned directly or indirectly by Matthews will be converted into an amount in cash; and

WHEREAS, the respective Boards of Directors of Matthews and York have determined that the Merger is in furtherance of and consistent with their respective long-term business strategies and is in the best interests of their respective stockholders;

NOW, THEREFORE, in consideration of the premises, representations, warranties and agreements herein contained, the parties agree as follows:

ARTICLE I
THE MERGER

Section 1.1. The Merger. Upon the terms and subject to the conditions hereof, and in accordance with the General Corporation Law of the State of Delaware (the "DGCL"), Merger Sub shall be merged with and into York at the Effective Time (as defined in Section 1.2). Following the Merger, the separate corporate existence of Merger Sub shall cease and York shall continue as the surviving corporation (the "Surviving Corporation") and shall succeed

to and assume all the rights and obligations of Merger Sub in accordance with the DGCL and shall continue under the name The York Group, Inc.

Section 1.2. Effective Time. Concurrently with the Closing (as defined in Section 1.13), Matthews, Merger Sub and York will cause a Certificate of Merger (the "Certificate of Merger"), executed in accordance with the relevant provisions of the DGCL, to be filed with the Secretary of State of Delaware. The Merger shall become effective on the date and at the time when the Certificate of Merger has been duly filed with the Secretary of State of Delaware (the "Effective Time").

Section 1.3. Effects of the Merger. The Merger shall have the effects set forth in Section 259 of the DGCL.

Section 1.4. Charter and By-Laws; Board of Directors; Management Succession.
(a) At the Effective Time, the Certificate of Incorporation of Merger Sub as in effect immediately prior to the Effective Time shall be the Certificate of Incorporation of the Surviving Corporation until changed or amended as provided therein or by applicable law; provided, however, that at the Effective Time, the Certificate of Incorporation shall be amended so that the name of the Surviving Corporation shall be "The York Group, Inc." At the Effective Time, the By-Laws of Merger Sub, as in effect immediately prior to

the Effective Time shall be the By-Laws of the Surviving Corporation until changed or amended as provided therein or by applicable law.

(b) From and after the Effective Time, until duly changed in compliance with applicable law and the certificate of incorporation and by-laws of the Surviving Corporation, the board of directors of the Surviving Corporation shall consist of the board of directors of Merger Sub immediately prior to the Effective Time.

(c) From and after the Effective Time, the officers of the Surviving Corporation shall be the officers of Merger Sub immediately prior to the Effective Time, until their respective successors are duly elected or appointed and qualified in accordance with applicable law.

Section 1.5. Conversion of Securities. As of the Effective Time, by virtue of the Merger and without any action on the part of Matthews, Merger Sub, York or the holders of any securities of the Constituent Corporations:
(a) All shares of York Common Stock, together with any associated York Rights, that are held in the treasury of York or by any wholly-owned Subsidiary of York and any shares of York Common Stock, together with any associated York Rights, owned by Matthews or by any wholly-owned Subsidiary or Affiliate of Matthews shall be cancelled and no capital stock of Matthews or other consideration shall be delivered in exchange therefor.

(b) Each share of common stock, par value $.01 per share, of Merger Sub issued and outstanding immediately prior to the Effective Time shall be converted into one share of common stock, par value $.01 per share, of the Surviving Corporation with the same rights, powers and privileges as the shares so converted and shall constitute the only outstanding shares of capital stock of the Surviving Corporation.

(c) (i) Each share of York Common Stock, together with any associated York Rights, issued and outstanding immediately prior to the Effective Time (other than shares of York Common Stock referred to in Section 1.5(a) hereof and Appraisal Shares as defined in Section 1.5(e)), shall, by virtue of the Merger and without any action on the part of the holder thereof, be converted into an amount in cash, per share of York Common Stock held, together with any associated York Rights, as determined in Section 1.5(c)(ii) below.

(ii) The calculation of the amount of cash to be paid to the holders of York Common Stock for each share of York Common Stock together with any associated York Rights shall be (x) $10 per share of York Common Stock together with any associated York Rights, plus (y) the Excess Cash Increment (such per share calculation being herein referred to as the "York Equity Value"); provided, however, (i) for the avoidance of doubt, the York Equity Value shall not be less than $10 per share of York Common Stock together with any associated York Rights and (ii) that if York's EBITDA (as defined below) for the nine months ended September 30, 2001 does not at least equal $9.0 million (the "Threshold EBITDA"), then Matthews shall be permitted to terminate this Agreement in

accordance with Section 7.1(j) hereof. Notwithstanding the foregoing, Matthews shall not be required to pay more than $11 per share of York Common Stock.

(iii) (A) As used herein,

$$\text{Excess Cash Increment} = \frac{A - (\$6.9 \text{ million} + B + C + D + E + F + G) + (H + I)}{\text{Outstanding Shares}}$$

Excess Cash Increment shall not be less than zero.

"A" is "York Cash." "York Cash" shall mean the total cash and Cash Equivalents of York and its Subsidiaries at October 31, 2001, plus the Selected Property Value. "Cash Equivalents" shall mean all highly liquid investments of York purchased with original maturities of three months or less. "Selected Property Value" shall mean (i) 50% of the aggregate Appraised Value on the following properties of York not sold nor subject to a Pending Contract to sell by York on or before October 31, 2001: Aiken, South Carolina; Portland, Oregon; Lawrenceville, Georgia; Richmond, Indiana (at 111 N. W. "T" Street) and New Orleans, Louisiana (the "Selected Properties"), plus (ii) the agreed upon purchase price for any or all of the Selected Properties that are subject to a Pending Contract for sale. "Appraised Value" shall mean the fair market value of such properties held for sale, determined as soon as practicable after the date hereof, but in no event determined later than October 31, 2001, by a certified real estate appraisal firm selected by Matthews, using appraisal criteria determined by the appraisal firm and reasonably acceptable to Matthews and York, including consideration of environmental issues with respect to such properties, and "Pending Contract" shall mean a standard contract for sale of real estate in the applicable jurisdiction with respect to which the contingency period has expired or which does not contain a contingency period of more than 60 days.

"B" is "Present Value Environmental Remediation Costs." "Present Value Environmental Remediation Costs" shall mean the present value cost (discounted at 7.5%) of the Environmental Remediation Costs which are not paid on or before October 31, 2001. "Environmental Remediation Costs" shall mean the estimated remediation costs to meet applicable environmental clean-up requirements and to conduct any ongoing environmental monitoring and maintenance activities for the following locations: Anniston, Alabama, West Point, Mississippi and Lynn, Indiana, with such costs to be determined as follows:

(1) York shall, at York's expense, engage an environmental consulting company to perform a limited Phase II subsurface environmental investigation of the three sites consistent with a scope of work, which was proposed by Matthews and approved by York before the date of this Agreement ("Limited Phase II Investigation"). York and Matthews have preapproved RMT, Inc. ("RMT") to perform the Limited Phase II Investigation. RMT or, if both York and Matthews approve, another environmental consulting company ("Contractor"), shall be instructed to perform its work so as to reach a probable-cost estimate or a range of estimates in accordance with (i) the provisions herein and (ii) the scope of work, including specifically to produce a range of estimates (if necessary) with a confidence range of plus or minus $1 million as provided for in subsection (4) below. York will allow Matthews or its representatives to observe the Limited Phase II Investigation at all three sites and shall provide Matthews with copies of all field notes, boring logs and analytical data within a reasonable time after receipt and prior to the preparation of the Phase II Report. York shall authorize Contractor to discuss its work with Matthews or its representatives if York's representatives participate in such discussions.

(2) York shall use commercially reasonable efforts to cause the Limited Phase II Investigation to be completed, and a report regarding the same to be issued, on or before July 15, 2001 ("Phase II Report"). The Phase II Report will contain recommendations for additional investigation and/or remediation, if appropriate. York will consider, in good faith, reasonable comments by Matthews or its representatives on the draft Phase II Report before

finalizing.

(3) Based upon the Limited Phase II Investigation, the Phase II Report shall include a probable-cost estimate (on a facility specific basis) of costs to conduct remediation activities necessary (if any) to address the presence of contaminants in soil and/or groundwater at each of the facilities in concentrations greater than permitted for commercial/industrial property under applicable Environmental Laws, as revealed by the Limited Phase II Investigation. The probable-cost estimate shall be based upon the lowest cost methods for investigation, remediation, removal, corrective action, containment and/or monitoring permitted by applicable Environmental Laws and to minimize liability under Environmental Laws. It is understood that any required corrective action may include the use of risk-based remedies (including without limitation natural attenuation remedies), institutional and/or engineering controls or deed restrictions, if such remedies or controls have been approved or accepted by the relevant state agency in similar situations and provided that such remedies or controls do not unreasonably restrict or interfere with the current use of the facility. It is further understood that the probable-cost estimate shall include all investigation, remediation, removal, corrective action, containment and/or monitoring requirements of applicable state or federal environmental agencies.

(4) If Contractor's probable-cost estimate for any of the three facilities cannot be refined to an estimate with a confidence range of plus or minus $1 million (e.g. $1-3 million) after the Limited Phase II Investigation, then York and Matthews will cooperate with Contractor to approve such additional investigation by Contractor at any of the three facilities as will facilitate the refinement of the probable-cost estimate to an estimate with a confidence range of plus or minus $1 million. Such additional investigation shall be at York's expense and shall be completed on or before August 31, 2001 or such later date as the parties may agree upon; provided that a final characterization report and probable-cost estimate with a confidence range of plus or minus $1 million must be delivered by Contractor to York and Matthews no later than September 30, 2001. York will allow Matthews or its representatives to observe any additional investigation and shall provide Matthews with copies of all field notes, boring logs and analytical data within a reasonable time after receipt and prior to the preparation of the final characterization report. York shall authorize contractor to discuss its work with Matthews or its representatives if York's representatives participate in such discussions. Subject to Subsection (5), Environmental Remediation Costs for any given facility shall be the midpoint of any probable cost estimate range for such facility that meets the requirements of this Subsection (4) (e.g. with a $1-3 million range, midpoint would be $2 million). Environmental Remediation Costs for all three facilities shall be the aggregate midpoints of such ranges, which meet the requirements of this subsection (4).

(5) If the midpoint of the probable-cost estimate for any one facility is equal to or less than $100,000, then the Environmental Remediation Cost for such facility shall be deemed to be zero. Without giving effect to the preceding sentence, if the aggregate midpoints of the probable-cost estimates for all three facilities, in the aggregate, is less than or equal to $300,000,

then the Environmental Remediation Cost for all three facilities shall be deemed to be zero.

If as a result of the Limited Phase II Investigation, York must commence remediation activities before the Closing Date to comply with applicable Environmental Laws, York and Matthews agree to reasonably cooperate with respect to such activities, and Matthews will identify the name and contact information for a person representing Matthews who will coordinate with York, and if desired, provide comment regarding the scope, timing, and performance of such activities.

"C" is the premium not paid on or before October 31, 2001 for cost cap coverage from AIG or a similarly rated insurance company for each facility having a probable-cost estimate exceeding $100,000 so that the parties may protect against actual costs of remediation at such facility exceeding the amount of the Environmental Remediation Costs applicable to such facility. In determining the Insurance Premium, the policy shall have (a) a self-insured retention/deductible equal to the Environmental Remediation Costs for each facility having a probable-cost estimate exceeding $100,000, (b) limits of

liability equal to 100% of the Environmental Remediation Costs for each facility having a probable-cost estimate exceeding $100,000, and (c) a policy term of 10 years, unless a shorter or longer remediation period is applicable, in which case the term shall not be shorter than the projected remediation period. If cost cap coverage meeting the specifications set forth herein cannot be bound by York despite York's commercially reasonable efforts to do so on or before October 31, 2001 (it being understood that York shall have no obligation to purchase such insurance if the premium exceeds 25% of the Environmental Remediation Costs), then cost cap coverage need not be procured and for purposes of the Excess Cash Increment calculation, the premium shall be deemed to be 25% of the Environmental Remediation Costs with respect to such facilities for which such cost cap coverage has not been obtained.

"D" is the legal, accounting, environmental consulting and investment banking fees and expenses incurred or accrued by York and its Subsidiaries on or before October 31, 2001 in connection with this Agreement and closing the Merger (and not yet paid), or are reasonably anticipated by York to be incurred by York prior to the Closing.

"E" is the costs of settling, cashing out or causing to be cancelled all York Stock Options not exercised on or before October 31, 2001 and Deferred Stock (as defined in Section 1.5(d)), as determined in accordance with the formula set forth in Exhibit 1.5(x) less, in the case of York Stock Options, any exercise price to be paid to York by the optionee (but for avoidance of doubt not decreased by any unpaid cash accruals under the Director Deferral Plan (as defined in Section 1.5(d)) or York's Non-Qualified Deferred Compensation Plan).

"F" is the amount by which Adjusted Working Capital is greater that $13.2 million or less than $10.2 million on October 31, 2001. If Adjusted Working Capital as of October 31, 2001 is greater than $13.2 million, the excess amount shall be a negative number and have the effect of increasing the Excess Cash Increment, but if the Adjusted Working Capital as of October 31, 2001 is less than $10.2 million, the deficiency shall be a positive number and have the effect of decreasing the Excess Cash Increment. "Adjusted Working Capital" shall mean the difference between (a) the sum of (1) trade accounts and notes receivable (net of allowance for doubtful accounts), (2) inventory, (3) pre-paid expenses, (4) deferred tax amount, (5) income tax receivable, (6) assets held for sale, (7) other current assets, (8) any amounts which are reflected

in Adjusted Working Capital and are being deducted from the Excess Cash Increment calculation pursuant to letters "D" and "E" above and (9) any indemnity to which York would be entitled under the Purchase Agreements (as defined herein), but which has not been paid due to the Basket Amount provided for in Section 5.03(b)(ii) of the Stock Purchase Agreement or the Asset Purchase Agreement (as such agreements are defined herein) or for any other reason and (b) the sum of (1) accounts payable, (2) accrued expenses and (3) other current liabilities, and specifically excluding any calculation of cash, Cash Equivalents or Funded Indebtedness, all determined in accordance with generally accepted accounting principles ("GAAP") applied consistently with the audited financial statements (the "Financial Statements") of York as of December 31, 2000. The foregoing notwithstanding, Adjusted Working Capital shall not be reduced by any decreases in York's assets, liabilities or financial position resultant from or arising out of claims for indemnification under the Purchase Agreements.

"G" is all funded indebtedness, and any capitalized lease obligations first incurred after the date of this Agreement, of York and its Subsidiaries ("Funded Indebtedness") on October 31, 2001.

"H" is any cash paid for severance, retention, transition or integration costs to the extent that York and Matthews agree to the same in a writing referring to this Section 1.5(c)(ii) and/or the Excess Cash Increment.

"I" is any indemnity to which York would be entitled under the Asset Purchase Agreement dated concurrently herewith among Matthews, Empire Stock Corp., York, York Bronze Company and OMC Industries, Inc. (the "Asset Purchase Agreement"), the Stock Purchase Agreement by and between Matthews, Empire Stock Corp. and York dated concurrently herewith (the "Stock Purchase Agreement") and any other document related thereto (together with the Stock Purchase Agreement and the Asset Purchase Agreement, the "Purchase Agreements"), but which has not been paid due to the Basket Amount provided

for in Section 5.03(b)(ii) of the Stock Purchase Agreement or the Asset Purchase Agreement or for any other reason.

"Outstanding Shares" shall mean the total number of shares of York Common Stock outstanding on October 31, 2001.
Neither York Cash nor Excess Cash Increment will be reduced by any decreases in York's Cash or Cash Equivalents resulting from or arising out of claims for indemnification under the Purchase Agreements. For the avoidance of doubt, York has not agreed at this time and is not obligated under this Agreement or any of the Purchase Agreements to pay any transition or integration costs.

(B) As used herein, "EBITDA" shall mean the York net income for the nine months ended September 30, 2001 as shown in the Financial Statements of York filed with York's September 30, 2001 Form 10-Q Report, (i) plus interest, taxes, depreciation and amortization for such nine month period as shown in such Financial Statements of York, (ii) plus any Unusual Charges for such nine month period (as defined below), (iii) less any Non-recurring Gains during such nine month period (as defined below), (iv) and including a pro forma adjustment to remove the EBITDA effect for such nine month period of the Bronze Business, the Selected Properties, the Vault Business, and all other businesses, assets and properties disposed of or discontinued by York on or after January 1, 2001. As used herein, "Unusual Charges" shall mean (w) any legal, accounting, investment banking, proxy solicitation and printing fees, costs and expenses, incurred in conjunction with this Agreement and the Purchase Agreements and closing the Merger and the transactions contemplated by the Purchase Agreements, (x) legal, accounting, investment banking, proxy

solicitation, printing and other fees, costs, expenses and charges incurred in evaluating and responding to the proposals, offers and communications of stockholders and other potential strategic or financial partners, acquirors or investors plus those incurred in conjunction with York's credit facilities and refinancing efforts, (y) any transition, integration, consolidation, severance and retention fees, costs and expenses incurred in conjunction with this Agreement and closing the Merger and determined in accordance with GAAP, and (z) any other items of a non-recurring nature (whether or not related to this Agreement or closing the Merger, such as plant closing expenses or environmental costs of a non recurring nature) accruing during 2001 (and determined in accordance with GAAP). For avoidance of doubt with respect to subsection (y) of the immediately preceding sentence, York has not agreed at this time and is not obligated under this Agreement or any of the Purchase Agreements to pay any transition, integration and consolidation fees, costs and expenses. As used herein, "Non-recurring Gains" shall mean any gain (or loss) on the sale or other disposition, except for any sales or dispositions in the ordinary course of the business of York and its Subsidiaries at the time of such disposition, of any fixed assets or business units (determined in accordance with GAAP). The foregoing notwithstanding, EBITDA shall not be reduced by any decreases in York's assets, liabilities or financial position resultant from or arising out of claims for indemnification under the Purchase Agreements.

(C) As used herein, "Bronze Business" shall mean the bronze business discontinued by York prior to the date hereof and the business conducted by York's York Bronze, Inc. and OMC Industries, Inc. subsidiaries sold to Matthews pursuant to the Stock Purchase Agreement.

(D) As used herein, "Vault Business" shall mean the business being sold by York pursuant to the Asset Purchase Agreement dated May 2, 2001 between Doric Products, Inc. and York.

(iv) As promptly as practicable after September 30, 2001 (but in no event later than November 12, 2001), York will deliver to Matthews a statement of EBITDA as of September 30, 2001 (the "EBITDA Statement"). As promptly as practicable after September 30, 2001 (but in no event later than October 31, 2001), York will deliver to Matthews a Statement of Adjusted Working Capital as of September 30, 2001 (the "September Adjusted Working Capital Statement"). The Adjusted Working Capital Statements (as defined below) and the EBITDA Statement will be prepared in accordance with GAAP, applied consistently with the Financial Statements of York as of December 31, 2000, and subjected to the Agreed-Upon Procedures to be performed by Arthur Andersen LLP.

As promptly as practicable after October 31, 2001 (but in no event later than November 19, 2001), York will deliver to Matthews a Statement of Adjusted

Working Capital as of October 31, 2001 (the "October Adjusted Working Capital Statement and together with the September Adjusted Working Capital Statement, the "Adjusted Working Capital Statements"). Such October Adjusted Working Capital Statement will be prepared on a basis consistent in all material respects with the September Adjusted Working Capital Statement. Matthews shall cause such October Adjusted Working Capital Statement to be reviewed by PricewaterhouseCoopers LLP prior to November 27, 2001.

As used herein, "Agreed-Upon Procedures" shall mean the assumptions and determinations used to calculate EBITDA and Adjusted Working Capital which are described as Exhibit 1.5(y) hereto to be used by York and York's auditors in preparing the Adjusted Working Capital Statements and the EBITDA Statement.

(v) If Matthews objects to the Adjusted Working Capital Statements or the EBITDA Statement by November 27, 2001, and Matthews and York are unable to resolve such objections by November 30, 2001, then all disagreements will be submitted for resolution to Arthur Andersen LLP (the "Independent Auditor"). The Independent Auditor will have up to 10 days after its appointment to resolve the disputes submitted to it. The Adjusted Working Capital Statements and the EBITDA Statement, either as agreed to by Matthews and York or as adjusted by the Independent Auditor pursuant to the preceding sentence, will be final and binding. The fees and expenses of the Independent Auditor will be shared equally by Matthews and York.

(d) Immediately prior to the Effective Time, York shall settle, cash out or cause to be cancelled all York Stock Options (as defined in Section 2.2(a)) and any shares of Common Stock which have been deferred ("Deferred Stock") pursuant to the York Non-Employee Director Cash and Equity Compensation Plan (the "Director Deferral Plan"), such that all York Stock Options and rights to Deferred Stock are terminated prior to the Effective Time. For the avoidance of doubt, Matthews shall not be required to pay for, as part of the Merger Consideration, any Deferred Stock, and any York Stock Options which are not vested and exercised prior to October 31, 2001.

(e) Notwithstanding any portion of this Agreement to the contrary, any shares of York Common Stock, together with any associated York Rights, held by a holder who has demanded and perfected appraisal rights for such shares permitted by and in accordance with the DGCL and who, as of the Effective Time, has not effectively withdrawn or lost such appraisal rights ("Appraisal Shares") shall not be converted into or represent a right to receive, pursuant to Section 1.5(c), cash, but the holder thereof shall only be entitled to receive such rights as granted by the DGCL.
(i) Notwithstanding the foregoing, if any holder of shares of York Common Stock, together with any associated York Rights, shall effectively withdraw or lose (through failure to perfect or otherwise) such holder's appraisal rights, then as of the later of (A) the Effective Time or (B) the occurrence of such event, such holder's shares, together with any associated York Rights, shall automatically be converted into and represent only the right to receive, as provided in Section 1.5(c), cash with no interest thereon upon surrender of the certificate formally representing such shares.
(ii) York will give Matthews prompt notice of its receipt of any written demands for purchase of any shares of York Common Stock, together with any associated York Rights, together with copies of such demands. York shall permit Matthews to participate in all negotiations and proceedings with respect to demands for purchase of any shares of York Common Stock, together with any associated York Rights, as may be demanded under the DGCL.

Section 1.6. Matthews to Make Consideration Available. (a) Exchange of Certificates. Matthews shall authorize First Chicago Trust Company of New York (or such other person or persons as shall be reasonably acceptable to Matthews and York) to act as the depository and exchange agent hereunder (the "Exchange Agent"). Prior to the Effective Time, Matthews shall deposit with the Exchange Agent, and in trust for the holders of shares of York Common Stock, together with any associated York Rights, converted in the Merger, via wire transfer in immediately available funds cash sufficient to make all payments as required pursuant to Section 1.5(c) (the "Exchange Fund"). The Exchange Agent shall deliver the cash contemplated to be issued pursuant to Section 1.5(c) out of the Exchange Fund.

(b) Exchange Procedures. As soon as practicable after the Effective Time, the Exchange Agent shall mail to each record holder of a certificate or certificates which immediately prior to the Effective Time represented outstanding shares of York Common Stock converted in the Merger (the "Certificates") a letter of transmittal, which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon actual delivery of the Certificates to the Exchange Agent, and shall contain instructions for use in effecting the surrender of the Certificates in exchange for cash, pursuant to Section 1.5(c). Upon surrender for cancellation to the Exchange Agent of all Certificates held by any record holder of a Certificate, together with such letter of transmittal, duly executed, the holder of such Certificate shall be entitled to receive in exchange therefor cash, pursuant to Section 1.5(c), and any Certificate so surrendered shall forthwith be cancelled.

Section 1.7. Transfer Taxes; Withholding. If any cash is to be paid to a name other than that in which the Certificate surrendered in exchange therefor is registered, it shall be a condition of such exchange that the Certificate so surrendered shall be properly endorsed and otherwise in proper form for transfer and that the person requesting such exchange shall pay to the Exchange Agent any transfers or other taxes required, or shall establish to the satisfaction of the Exchange Agent that such tax has been paid or is not applicable. Matthews or the Exchange Agent shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement such amounts as Matthews or the Exchange Agent is required to deduct and withhold with respect to the making of any such payment under the Internal Revenue Code of 1986, as amended (the "Code") or under any provision of state, local or foreign tax law. To the extent that amounts are so withheld by Matthews or the Exchange Agent and paid to the appropriate authority, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the person in respect of which such deduction and withholding was made by Matthews or the Exchange Agent.

Section 1.8. Return of Exchange Fund. Any portion of the Exchange Fund which remains undistributed to the former stockholders of York for one (1) year after the Effective Time shall be delivered to the Surviving Corporation, upon demand of the Surviving Corporation, and any such former stockholders who have not theretofore complied with this Article I shall thereafter look only to Matthews and the Surviving Corporation for payment of their claim for cash pursuant to Section 1.5(c). Neither Matthews, the Exchange Agent nor the Surviving Corporation shall (absent manifest error) be liable to any former holder of York Common Stock for any cash held in the Exchange Fund which is delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

Section 1.9. No Further Ownership Rights in York Common Stock. All cash paid upon the surrender for exchange of Certificates in accordance with the terms hereof shall be deemed to have been issued in full satisfaction of all rights pertaining to the shares of York Common Stock, together with any associated York Rights, represented by such Certificates.

Section 1.10. Closing of York Transfer Books. At the Effective Time, the stock transfer books of York shall be closed and no transfer of shares of York Common Stock, together with any associated York Rights, shall thereafter be made on the records of York. If, after the Effective Time, Certificates are presented to the Surviving Corporation, the Exchange Agent or Matthews, such Certificates shall be cancelled and exchanged as provided in this Article I.

Section 1.11. Lost Certificates. If any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such Certificate to be lost, stolen or destroyed and, if reasonably required by Matthews or the Exchange Agent, the posting by such person of a bond, in such reasonable amount as Matthews or the Exchange Agent may direct as indemnity against any claim that may be made against them with respect to such Certificate, the Exchange Agent will issue in exchange for such lost, stolen or destroyed Certificate the cash pursuant to Section 1.5(c).

Section 1.12. Further Assurances. If at any time after the Effective Time the Surviving Corporation shall consider or be advised that any deeds, bills of sale, assignments or assurances or any other acts or things are necessary,

desirable or proper (a) to vest, perfect or confirm, of record or otherwise, in the Surviving Corporation its right, title or interest in, to or under any of the rights, privileges, powers, franchises, properties, permits, licenses or assets of either of the Constituent Corporations, or (b) otherwise to carry out the purposes of this Agreement, the Surviving Corporation and its proper officers and directors or their designees shall be authorized to execute and deliver, in the name and on behalf of either of the Constituent Corporations, all such deeds, bills of sale, assignments and assurances and to do, in the name and on behalf of either Constituent Corporation, all such other acts and things as may be necessary, desirable or proper to vest, perfect or confirm the Surviving Corporation's right, title or interest in, to or under any of the rights, privileges, powers, franchises, properties or assets of such Constituent Corporation and otherwise to carry out the purposes of this Agreement.

Section 1.13. Closing. The closing of the transactions contemplated by this Agreement (the "Closing") and all actions specified in this Agreement to occur at the Closing shall take place at the offices of Reed Smith LLP, 435 Sixth Avenue, Pittsburgh, Pennsylvania, at 10:00 a.m., local time, no later than the second business day following the day on which the last of the conditions set forth in Article VI shall have been fulfilled or waived (if permissible), which is expected to be on or about November 30, 2001, or at such other time and place as Matthews and York shall agree; provided, however, that in no event shall the Closing take place prior to November 27, 2001 or later than the End Date (as defined in Section 7.1(b)).

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF YORK

Except as disclosed in York's filings with the Securities and Exchange Commission, the letter delivered to Matthews concurrently herewith and designated therein as the York Disclosure Letter (the "York Disclosure Letter") or the Disclosure Schedules to the Purchase Agreements, York hereby represents and warrants to Matthews and Merger Sub as follows:

Section 2.1. Corporate Organization. (a) York is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. York has the corporate power and authority to own or lease all of its properties and assets and to carry on its business as it is now being conducted, and is duly licensed or qualified to do business in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned or leased by it makes such licensing or qualification necessary, except where the failure to be so licensed or qualified would not reasonably be expected to have a Material Adverse Effect on York. As used in this Agreement, the term "Material Adverse

Effect" means, with respect to York or Matthews, as the case may be, a material adverse effect on (i) the business, operations, results of operations or financial condition of such party and its Subsidiaries taken as a whole, or (ii) the ability of such party to consummate the transactions contemplated hereby, except to the extent resulting from, related to or otherwise arising by virtue of (u) noncompliance with Environmental Laws by York, its Subsidiaries or their Affiliates, agents or predecessors, with the exception of an intentional misrepresentation of Section 2.15 which to York's knowledge would reasonably be expected to have a Material Adverse Effect, (v) with respect to each party, the effect of any event, occurrence, fact, condition, change, development or effect that is set forth in this Agreement or in the York Disclosure Letter, (w) with respect to each party, the effect of any other transaction or transactions with respect to which such party or its Affiliates, prior to the date hereof, has announced (generally or specifically) its intention to investigate, evaluate or consummate, (x) with respect to York, the effect of the public announcement or pendency of the transactions contemplated hereby on current customers or revenues of York or the effect of the announcement or pendency of any other agreement, agreements, transaction or transactions among any of the parties hereto, among any of their Affiliates, or among any party hereto and any Affiliate of a party hereto (each a "Constituent Agreement", (y) with respect to each party, any changes in general, local, regional, state, United States or global economic or political conditions or (z) with respect to each party, any changes affecting the industry or industries generally in which such party operates. As used in this Agreement, the word "Subsidiary" means any corporation, partnership, limited liability company, joint venture or other legal entity of

which York or Matthews, as the case may be (either alone or through or together with any other Subsidiary) (i) owns, directly or indirectly, 50% or more of the stock or other equity interests the holders of which are generally entitled to vote for the election of the board of directors or other governing body of such corporation, partnership, limited liability company, joint venture or other legal entity, (ii) is a general partner, trustee or other entity or person performing similar functions, or (iii) has control (as defined in Rule 405 under the Securities Act of 1933, as amended (together with the rules and regulations promulgated thereunder, the "Securities Act")). True and complete copies of the Certificate of Incorporation (the "York Certificate of Incorporation") and by-laws of York (the "York By-Laws"), as in effect as of the date of this Agreement, have previously been made available by York to Matthews.

(b) Each York Subsidiary (i) is duly organized and validly existing under the laws of its jurisdiction of organization, (ii) is duly qualified to do business and in good standing in all jurisdictions (whether federal, state, local or foreign) where its ownership or leasing of property or the conduct of its business requires it to be so qualified and in which the failure to be so qualified would reasonably be expected to have a Material Adverse Effect on York and (iii) has all requisite corporate power and authority to own or lease its properties and assets and to carry on its business as now conducted except as would not reasonably be expected to have a Material Adverse Effect on York.

(c) The minute books of each of York and the York Subsidiaries accurately reflect in all material respects all material corporate actions held or taken since January 1, 1998 of its respective stockholders and respective boards of directors (including committees of the board of directors of York) except as would not reasonably be expected to have a Material Adverse Effect on York.

Section 2.2. Capitalization. (a) As of December 31, 2000, the authorized capital stock of York consists of (i) 25,000,000 shares of York Common Stock, of which 8,940,950 shares were issued and outstanding and 0 shares were held in treasury, and (ii) 1,000,000 shares of Preferred Stock, par value $.01 per share, of York (the "York Preferred Stock"), 100,000 of which shares have been designated as the Series A Junior Participating Preferred Stock, par value $.01 per share, in connection with the York Rights Agreement and none of which, as of the date hereof, are issued and outstanding. All of the issued and outstanding shares of York Common Stock have been duly authorized and validly issued and are fully paid, nonassessable and were not issued in violation of any preemptive right. As of the date of this Agreement, except (i) pursuant to the terms of options issued pursuant to the 1990 Stock Incentive Plan (the "1990 Plan"), the 1991 Stock Incentive Plan (the "1991 Plan"), the 1996 Employee Stock Option Plan (the "1996 Plan"), and the 1996 Independent Director Stock Option Plan (the "1996 Director Plan"; together with the 1990 Plan, the 1991 Plan and the 1996 Plan, the "York Stock Plans"), (ii) York Rights under the York Rights Agreement, (iii) as contemplated in any Constituent Agreement, and (iv) as contemplated hereby, York does not have and is not bound by any outstanding subscriptions, options, warrants, calls, commitments or agreements of any character calling for the purchase or issuance of any shares of York Common Stock or any other equity securities of York or any securities representing the right to purchase or otherwise receive any shares of York Common Stock or York Preferred Stock. As of the date of this Agreement, no shares of York Common Stock or York Preferred Stock are reserved for issuance, except for (A) 822,608 shares of York Common Stock reserved for issuance upon exercise of stock options granted pursuant to the York Stock Plans (the "York Stock Options") and (B) 100,000 shares of York Preferred Stock reserved for issuance in connection with the York Rights Agreement. Since March 31, 2001, York has not issued any shares of its capital stock or any securities convertible into or exercisable for any shares of its capital stock, other than pursuant to the exercise of York Stock Options granted prior to such date. York has previously provided Matthews with a list of the option holders, the date of each option to purchase York Common Stock granted, the number of shares subject to each such option, the expiration date of each such option and the price at which each such option may be exercised under an applicable York Stock Plan. In no event will the aggregate number of shares of York Common Stock outstanding at the Effective Time exceed the number specified in Section 2.2(a) of the York Disclosure Letter.

(d) York owns, directly or indirectly, all of the issued and outstanding

shares of capital stock or other equity ownership interests of each of the York Subsidiaries as set forth in Section 2.2(b) of the York Disclosure Letter, free and clear of any liens, pledges, charges, encumbrances and security interests whatsoever ("Liens") other than as set forth in Section 2.2(b) of the York Disclosure Letter, and all of such shares or equity ownership interests are duly authorized and validly issued and are fully paid, nonassessable and were not issued in violation of any preemptive right. No York Subsidiary has or is bound by any outstanding subscriptions, options, warrants, calls, commitments or agreements of any character calling for the purchase or issuance of any shares of capital stock or any other equity security of such Subsidiary or any securities representing the right to purchase or otherwise receive any shares of capital stock or any other equity security of such Subsidiary.

Section 2.3. Authority; No Violation. (a) Subject to obtaining stockholder approval, York has full corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby and thereby have been duly and validly approved and declared advisable by the board of directors of York. The board of directors of York has directed that this Agreement and the transactions contemplated hereby be submitted to York's stockholders for adoption at the Stockholders Meeting (as defined in Section 5.3) and, except for the adoption of this Agreement by the affirmative vote of the holders of a majority of the outstanding shares of York Common Stock, no other corporate proceeding on the part of York is necessary to approve and adopt this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by York and (assuming due authorization, execution and delivery by Matthews and Merger Sub of this Agreement) constitutes a valid and binding obligation of York, enforceable against York in accordance with its terms.

(b) Subject to obtaining stockholder approval, neither the execution and delivery of this Agreement by York nor the consummation by York of the transactions contemplated hereby, nor compliance by York with any of the terms or provisions hereof, will (i) violate any provision of the York Certificate of Incorporation or the York By-Laws or (ii) assuming that the consents and approvals referred to in Section 2.4 are duly obtained, (x) violate any statute, code, ordinance, rule, regulation, judgment, order, writ, decree or injunction applicable to York or any of its Subsidiaries or any of their respective properties or assets, or (y) violate, conflict with, result in a breach of any provision of or the loss of any benefit under, constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, result in the termination of or a right of termination or cancellation under, accelerate the performance required by, or result in the creation of any Lien upon any of the respective properties or assets of York or any of its Subsidiaries under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture or other agreement, instrument for borrowed money, any guarantee of any agreement or instrument for borrowed money or any license, lease or any other agreement or instrument ("Material Agreement") to which York or any of its Subsidiaries is a party, or by which they or any of their respective properties or assets may be bound or affected, except (in the case of clause (ii) above) for such violations, conflicts, breaches or defaults which, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on York.

Section 2.4. Consents and Approvals. Except (i) in connection, or in compliance, with the provisions of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder (the "HSR Act") and any filings required under foreign laws regulating competition, investment or exchange controls, (ii) for the filing of any required applications or notices with any state or foreign agencies and approval of such applications and notices as listed in Section 2.4 of the York Disclosure Letter (the "State and Foreign Approvals"), (iii) for the filing with the Securities and Exchange Commission (the "SEC") of a proxy statement in definitive form relating to the Stockholders Meeting to be held in connection with this Agreement and the transactions contemplated hereby (the "Proxy Statement"), (iv) for the filing of the Certificate of Merger with the Secretary of State of Delaware, (v) for the approval of this Agreement by the requisite vote of the stockholders of York, (vi) those

consents listed in Section 2.4 of the York Disclosure Letter and (vii)

consents, approvals, filings and registrations which if not made or obtained would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on York, no consents or approvals of or filings or registrations with any court, administrative agency or commission or other governmental authority or instrumentality (each a "Governmental Entity") or with any third party are necessary in connection with (A) the execution and delivery by York of this Agreement, and (B) the consummation by York of the Merger and the other transactions contemplated by this Agreement.

Section 2.5. SEC Documents and Other Reports. Except as would not have a Material Adverse Effect on York, York has filed all required documents with the SEC since January 1, 1998 (the "York SEC Documents"). As of their respective dates, the York SEC Documents complied in all material respects with the requirements of the Securities Act or the Securities Exchange Act of 1934, as amended (together with the rules and regulations promulgated thereunder, the "Exchange Act"), as the case may be, and, at the respective times they were filed, none of the York SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Except as would not have a Material Adverse Effect on York, the consolidated financial statements (including, in each case, any notes thereto) of York included in the York SEC Documents complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto as of their respective dates of filing, were prepared in accordance with GAAP (except, in the case of the unaudited statements, as permitted by Regulation S-X of the SEC) applied on a consistent basis during the periods involved (except as may be indicated therein or in the notes thereto) and fairly presented in all material respects the consolidated financial position of York and its consolidated Subsidiaries as of the respective dates thereof and the consolidated results of their operations and their consolidated cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments and to any other adjustments described therein). Except as disclosed in the York SEC Documents or as required by GAAP, York has not, since December 1, 2000, made any material change in the accounting practices or policies applied in the preparation of its financial statements.

Section 2.6. Proxy Statement. None of the information to be supplied by York for inclusion or incorporation by reference in the Proxy Statement will at the time of the mailing of the Proxy Statement and at the time of the Stockholders Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading.

If at any time prior to the Effective Time any event with respect to York, its officers and directors or any of its Subsidiaries shall occur that is required to be described in the Proxy Statement, such event shall be so described, and an appropriate supplement shall be promptly filed with the SEC and, as required by law, disseminated to the stockholders of York. The Proxy Statement will comply (with respect to York) as to form in all material respects with the provisions of the Exchange Act.

Section 2.7. Absence of Certain Changes or Events. Except as disclosed in the York SEC Documents filed prior to the date of this Agreement, except as set forth in Section 2.7 of the York Disclosure Letter or except as contemplated in any Constituent Agreement, since December 31, 2000, (A) York and its Subsidiaries have not incurred any material liability or obligation (indirect, direct or contingent), or entered into any material oral or written agreement or other transaction, that is not in the ordinary course of business or that would have a Material Adverse Effect on York, (B) York and its Subsidiaries have not sustained any loss or interference with their business or properties from fire, flood, windstorm, accident or other calamity (whether or not covered by insurance) that has had or that would have a Material Adverse Effect on York, (C) there has been no change in the capital stock of York and no dividend or distribution of any kind declared, paid or made by York on any class of its stock, (D) there has not been (y) any granting by

York or any of its Subsidiaries to any executive officer or material modification of any severance or termination benefits or (z) any entry by York or any of its Subsidiaries into or material modification of any employment, severance or termination agreement with any such executive officer and (E) York and its Subsidiaries have not prepared or filed any Tax Return (as defined in Section 2.9) inconsistent with past practice or, on any such Tax Return, taken any position, made any election, or adopted any method that is inconsistent with positions taken, elections made or methods used in preparing or filing similar Tax Returns in prior periods. Set forth in Section 2.7 of the York Disclosure Letter is a description of any changes between December 31, 2000 and the date of this Agreement (excluding any intervening fluctuations between such dates) to the amount and terms of the indebtedness of York and its Subsidiaries as described in York's Annual Report on Form 10-K for the year ended December 31, 2000, as filed with the SEC (other than any changes in, or the incurrence of, indebtedness of York or any of its Subsidiaries with a principal amount not in excess of $100,000).

Section 2.8. Permits and Compliance. Each of York and its Subsidiaries is in possession of all franchises, grants, authorizations, licenses, permits, charters, easements, variances, exceptions, consents, certificates, approvals and orders of any Governmental Entity necessary for York or any of its Subsidiaries to own, lease and operate its properties or to carry on its business as it is now being conducted (the "York Permits"), except where the failure to have any of the York Permits would not, individually or in the aggregate, have a Material Adverse Effect on York, and, as of the date of this Agreement, no suspension or cancellation of any of the York Permits is pending or, to the Knowledge of York, threatened, except where the suspension or cancellation of any of the York Permits, individually or in the aggregate, would not have a Material Adverse Effect on York. Except as set forth in Section 2.8 of the York Disclosure Letter and assuming the filings, notices, approvals and consents referred to in Section 2.4 are duly obtained, neither York nor any of its Subsidiaries is in violation of (i) its charter, by-laws or equivalent documents, (ii) any applicable law, ordinance, administrative or governmental rule or regulation or (iii) any order, decree or judgment of any Governmental Entity having jurisdiction over York or any of its Subsidiaries, except, in the case of clauses (i), (ii) and (iii), for any violations that, individually or in the aggregate, would not have a Material Adverse Effect on York. "Knowledge of York" means the actual knowledge, after reasonable inquiry, of the individuals identified in Section 2.8 of the York Disclosure Letter.

Section 2.9. Tax Matters. Except as otherwise set forth in Section 2.9 of the York Disclosure Letter, (i) York and each of its Subsidiaries have filed all federal, and all material state, local, foreign and provincial, Tax Returns required to have been filed or appropriate extensions therefor have been properly obtained, and such Tax Returns are correct and complete, except to the extent that any failure to so file or any failure to be correct and complete, individually or in the aggregate, would not have a Material Adverse Effect on York; (ii) all Taxes shown to be due on such Tax Returns have been timely paid or extensions for payment have been properly obtained, or such Taxes are being timely and properly contested, (iii) York and each of its Subsidiaries have complied in all material respects with all rules and regulations relating to the withholding of Taxes except to the extent that any failure to comply with such rules and regulations, individually or in the aggregate, would not have a Material Adverse Effect on York; (iv) neither York nor any of its Subsidiaries has waived any statute of limitations in respect of its Taxes which waiver is currently in effect; (v) any Tax Returns referred to in clause (i) for tax years prior to 1998 relating to federal and state income Taxes have been examined by the Internal Revenue Service (the "IRS") or the appropriate state taxing authority or the period for assessment of the Taxes in respect of which such Tax Returns were required to be filed has expired; (vi) no issues that have been raised in writing by the relevant taxing authority in connection with the examination of the Tax Returns referred to in clause (i) are currently pending; (vii) all deficiencies asserted or assessments made as a result of any examination of such Tax Returns by any taxing authority have been paid in full; and (viii) neither York nor any of its Subsidiaries has made any payments, is obligated to make any payments or is a party to any agreement that under certain circumstances could obligate it to make any payments that will not be deductible under Section 280G of the Code. For purposes of this Agreement: (i) "Taxes" means (A) any federal, state, local, foreign or provincial income, gross receipts,

property, sales, use, license, excise, franchise, employment, payroll, withholding, alternative or add-on minimum, ad valorem, value-added, transfer or excise tax, or other tax, custom, duty, governmental fee or other like assessment or charge of any kind whatsoever, together with any interest or penalty imposed by any Governmental Entity, and (B) any liability for the payment of amounts with respect to payments of a type described in clause (A) as a result of being a member of an affiliated, consolidated, combined or unitary group, and (ii) "Tax Return" means any return, report or similar statement (including the attached schedules) required to be filed with respect to any Tax, including any information return, claim for refund, amended return or declaration of estimated Tax.

Section 2.10. Actions and Proceedings. Except as set forth in the York Disclosure Letter or in the York SEC Documents filed prior to the date of this Agreement, there are no outstanding orders, judgments, injunctions, awards or decrees of any Governmental Entity against or involving York or any of its Subsidiaries, or against or involving any of the directors, officers or employees of York or any of its Subsidiaries, as such, any of its or their properties, assets or business or any York Plan that, individually or in the aggregate, would have a Material Adverse Effect on York. Except as set forth in Section 2.10 of the York Disclosure Letter, as of the date of this Agreement, there are no actions, suits or claims or legal, administrative or arbitrative proceedings or investigations pending or, to the Knowledge of York, threatened against or involving York or any of its Subsidiaries or any of its or their directors, officers or employees as such, or any of its or their properties, assets or business or any York Plan that, individually or in the aggregate, would have a Material Adverse Effect on York. There are no actions, suits, labor disputes or other litigation, legal or administrative

proceedings or governmental investigations pending or, to the Knowledge or York, threatened against or affecting York or any of its Subsidiaries or any of its or their officers, directors or employees, as such, or any of its or their properties, assets or business relating to the transactions contemplated by this Agreement.

Section 2.11. Certain Agreements. Except as set forth in Section 2.11 of the York Disclosure Letter, neither York nor any of its Subsidiaries is a party to any oral or written agreement or plan, including any employment agreement, severance agreement, retention agreement, stock option plan, stock appreciation rights plan, restricted stock plan or stock purchase plan, any of the benefits of which will be increased, the vesting of the benefits of which will be accelerated, or which will become payable or which at the participant's or holder's option may become payable, due to or by the occurrence of any of the transactions contemplated by this Agreement or the value of any of the benefits of which will, or may at the option of the holder or participant, be calculated on the basis of any of the transactions contemplated by this Agreement.

Section 2.12. ERISA. (a) Section 2.12(a)(X) of the York Disclosure Letter contains a list of each York Plan. With respect to each York Plan, York has made available to Matthews a true and correct copy of (i) the most recent annual report (Form 5500) filed with the IRS, (ii) such York Plan and all amendments thereto, (iii) each trust agreement, insurance contract or administration agreement relating to such York Plan, (iv) the most recent summary plan description for each York Plan for which a summary plan description is required, (v) the most recent actuarial report or valuation relating to a York Plan subject to Title IV of the Employee Retirement Income Security Act of 1974 and the regulations promulgated thereunder ("ERISA"), (vi) the most recent determination letter, if any, issued by the IRS with respect to any York Plan intended to be qualified under Section 401(a) of the Code, (vii) any request for a determination currently pending before the IRS and (viii) all correspondence with the IRS, the Department of Labor or the Pension Benefit Guaranty Corporation relating to any outstanding controversy. Each York Plan complies with ERISA, the Code and all other applicable statutes and governmental rules and regulations, except any failure to comply as would not have, individually or in the aggregate, a Material Adverse Effect on York. Except as set forth in Section 2.12(a)(Y) of the York Disclosure Letter, (i) no "reportable event" (within the meaning of Section 4043 of ERISA) has occurred within the past three years with respect to any York Plan which could result in liability to York, (ii) neither York nor any of its ERISA Affiliates (as hereinafter defined) has withdrawn from any York Multiemployer Plan (as hereinafter defined) at any time or instituted, or is currently considering

taking, any action to do so, and (iii) no action has been taken, or is currently being considered, to terminate any York Plan subject to Title IV of ERISA.

(b) There has been no failure to make any contribution or pay any amount due to any York Plan as required by Section 412 of the Code, Section 302 of ERISA, or the terms of any such Plan, and no York Plan, nor any trust created thereunder, has incurred any "accumulated funding deficiency" (as defined in Section 302 of ERISA), whether or not waived.

(c) With respect to York Plans, no event has occurred and, to the Knowledge of York, there exists no condition or set of circumstances in connection with which York or any of its ERISA Affiliates would be subject to any liability under the terms of such York Plans, ERISA, the Code or any other applicable law which has had, or would have, individually or in the aggregate, a Material

Adverse Effect on York. Except as listed on Section 2.12(c) of the York Disclosure Letter, all York Plans that are intended to be qualified under Section 401(a) of the Code have been determined by the IRS to be so qualified, or a timely application for such determination is now pending or will be filed on a timely basis and, except as listed on Section 2.12(c) of the York Disclosure Letter, there is no reason why any York Plan is not so qualified in operation. Neither York nor any of its ERISA Affiliates has been notified by any York Multiemployer Plan that such York Multiemployer Plan is currently in reorganization or insolvency under and within the meaning of Section 4241 or 4245 of ERISA or that such York Multiemployer Plan intends to terminate or has been terminated under Section 4041A of ERISA. Neither the termination of any York Multiemployer Plan nor the complete or partial withdrawal by YORK or any of its ERISA Affiliates from any York Multiemployer Plan would result in any liability of York or any of its ERISA Affiliates that would have, individually or in the aggregate, a Material Adverse Effect on York. Except as set forth in Section 2.12(c) of the York Disclosure Letter, neither York nor any of its ERISA Affiliates has any liability or obligation under any welfare plan to provide life insurance or medical benefits after termination of employment to any employee or dependent other than as required by Part 6 of Title 1 of ERISA.

(d) As used in this Agreement, (i) "York Plan" means a "pension plan" (as defined in Section 3(2) of ERISA (other than a York Multiemployer Plan (as hereinafter defined)), a "welfare plan" (as defined in Section 3(1) of ERISA), or any material bonus, profit sharing, deferred compensation, incentive compensation, stock ownership, stock purchase, stock option, phantom stock, vacation, severance, death benefit, insurance or other plan, arrangement or understanding, in each case established or maintained or contributed to by York or any of its ERISA Affiliates or as to which York or any of its ERISA Affiliates or otherwise may have any liability, whether or not covered by ERISA), (ii) "York Multiemployer Plan" means a "multiemployer plan" (as defined in Section 4001(a)(3) of ERISA) to which York or any of its ERISA Affiliates is or has been obligated to contribute or otherwise may have any liability, and (iii) with respect to any person, "ERISA Affiliate" means any corporation or trade or business (whether or not incorporated) which is under common control, or otherwise would be considered a single employer with such person pursuant to Section 414(b), (c), (m) or (o) of the Code and the regulations promulgated thereunder or pursuant to Section 4001(b) of ERISA and the regulations promulgated thereunder.

(e) Section 2.12(e) of the York Disclosure Letter contains a list, as of the date of this Agreement, of all (i) severance and employment agreements with officers of York and each ERISA Affiliate, (ii) severance programs and policies of York with or relating to its employees and (iii) plans, programs, agreements and other arrangements of York with or relating to its employees which contain change of control or similar provisions, in each case involving a severance or employment agreement or arrangement with an individual officer or employee, only to the extent such agreement or arrangement provides for minimum annual payments in excess of $50,000. York has provided to Matthews a true and complete copy of each of the foregoing.

(f) Except as otherwise provided in Section 2.12(f) of the York Disclosure Letter, the consummation of the transactions contemplated by this Agreement will not accelerate the time of payment or vesting under any York Plan nor obligate any of York, the Surviving Corporation or Matthews to provide any current or former officer, director or employee of York or any of its

Subsidiary with severance pay, unemployment compensation or similar payment.

Section 2.13. Labor Matters. Except as disclosed in Section 2.13 of the York Disclosure Letter, (i) neither York nor any of its Subsidiaries is party to any collective bargaining agreement or other labor agreement with any union or labor organization and no union or labor organization has been recognized by York or any of its Subsidiaries as an exclusive bargaining representative for employees of York or any of its Subsidiaries, (ii) neither York nor any of its Subsidiaries is the subject of any material proceeding asserting that it or any of its Subsidiaries has committed an unfair labor practice or is seeking to compel it to bargain with any labor union or labor organization, and (iii) to the Knowledge of York there is no pending, threatened, nor has there been for the past three years, any labor strike, dispute, walkout, work stoppage, slow-down or lockout involving it or any of its Subsidiaries: except in each case as would not, individually or in the aggregate, have a Material Adverse Effect on York.

Section 2.14. Intellectual Property. (a) For the purposes of this Agreement, the following terms have the following definitions:

"Intellectual Property" shall mean any or all of the following and all worldwide common law and statutory rights in, arising out of, or associated therewith: (i) patents and applications therefor and all reissues, divisions, renewals, extensions, provisionals, continuations and continuations-in-part thereof ("Patents"); (ii) inventions (whether patentable or not), invention disclosures, improvements, trade secrets, proprietary information, know how, technology, technical data and customer lists, and all documentation relating to any of the foregoing; (iii) copyrights, copyrights registrations and applications therefor, and all other rights corresponding thereto throughout the world; (iv) domain names, uniform resource locators ("URLs") and other names and locators associated with the Internet (collectively, "Domain Names"); (v) industrial designs and any registrations and applications therefor; (vi) trade names, logos, common law trademarks and service marks, trademark and service mark registrations and applications therefor (collectively, "Trademarks"); (vii) all databases and data collections and all rights therein; (viii) all moral and economic rights of authors and inventors, however denominated, and (ix) any similar or equivalent rights to any of the foregoing (as applicable). The foregoing notwithstanding, generally available commercial software shall be excluded from the meaning of Intellectual Property. "York Intellectual Property" shall mean any Intellectual Property that is owned by, or exclusively licensed to, York or any of its Subsidiaries, excluding any Intellectual Property that is the subject of any Constituent Agreement.

"Registered Intellectual Property" means all Intellectual Property that is the subject of an application, certificate, filing, registration or other document issued, filed with, or recorded by any private, state, government or other legal authority. "York Registered Intellectual Property" means all of the Registered Intellectual Property owned by, or filed in the name of, York or any of its Subsidiaries.

"York Products" means all current versions of products or service offerings of York or any of its Subsidiaries.

(b) Except as disclosed in Section 2.14 of the York Disclosure Letter, no York Intellectual Property or York Product is subject to any proceeding or outstanding decree, order, judgment, contract, license, agreement or stipulation restricting in any manner the use, transfer or licensing thereof by York or any of its Subsidiaries, or which may affect the validity, use or enforceability of such York Intellectual Property or York Product, which,

individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect on York.

(c) Each item of York Registered Intellectual Property is valid and subsisting, all necessary registration, maintenance and renewal fees currently due in connection with such York Registered Intellectual Property have been made an all necessary documents, recordations and certificates in connection with such York Registered Intellectual Property have been filed with the relevant patent, copyright, trademark or other authorities in the United

States or foreign jurisdictions, as the case may be, for the purposes of maintaining such York Registered Intellectual Property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect on York.

(d) Except as disclosed in Section 2.14 of the York Disclosure Letter or as would not have a Material Adverse Effect on York, York owns and has good and exclusive title to, each material item of York Intellectual Property, free and clear of any lien or encumbrance (excluding non-exclusive licenses and related restrictions granted in the ordinary course); and York is the exclusive owner of all Trademarks used in connection with the operation or conduct of the business of York including the sale of any products or the provision of any services by York. Without limiting the foregoing, (i) York owns exclusively, and has good title to, all copyrighted works that are York Products or which York or any of its Subsidiaries otherwise purports to own and (ii) except as, individually or in the aggregate, could not reasonable be expected to have a Material Adverse Effect on York, to the extent that any Patents would be infringed by any York Products, York or any of its Subsidiaries is the exclusive owner of such Patents.

(e) Except as would not have a Material Adverse Effect on York, neither York nor any of its Subsidiaries has transferred ownership of, or granted any exclusive license with respect to, any Intellectual Property that is York Intellectual Property, to any third party, or knowingly permitted York's or such Subsidiary's rights in such York Intellectual Property to lapse or enter the public domain.

(f) Section 2.14 of the York Disclosure Letter lists all contracts, licenses and agreements to which York and each of its Subsidiaries is a party and that remain in effect: (i) with respect to York Intellectual Property licenses or transferred to any third party resulting in, or which may result in, annual payments of $50,000 or more to York; or (ii) pursuant to which a third party has licensed or transferred any Intellectual Property to York.

(g) The operation of the business of York as such business currently is conducted, including (i) York's design, development, manufacture, distribution, reproduction, marketing or sale of the products or services of York (including York Products) and (ii) York's use of any product device or process, to its Knowledge and except as could not reasonably be expected to have a Material Adverse Effect, has not and does not and will not infringe or misappropriate the Intellectual Property of any third party or constitute unfair competition or trade practices under the laws of any jurisdiction.

(h) York has not received written notice from any third party that the operation of the business of York or any act, product or service of York, infringes or misappropriates the Intellectual Property of any third party or constitutes unfair competition or trade practices under the laws of any jurisdiction, except (i) as disclosed in Section 2.14 of the York Disclosure

Letter and (ii) as could not reasonably be expected to have a Material Adverse Effect on York.

(i) No person has infringed or is infringing or misappropriating any York Intellectual Property, except as could not reasonably be expected to have a Material Adverse Effect on York.

Section 2.15. Environmental and Safety Matters. (a) Except as set forth in Section 2.15 of the York Disclosure Letter, the properties, assets and operations of York and its Subsidiaries (i) are in compliance with all applicable federal, state, local, regional and foreign laws, rules and regulations, orders, decrees, common law, judgments, permits and licenses relating to public and worker health and safety (collectively, "Worker Safety Laws") and relating to the protection, regulation and clean-up of the indoor and outdoor environment , including, without limitation, those relating to the generation, handling, disposal, transportation or release of hazardous or toxic materials, substances, wastes, pollutants and contaminants including, without limitation, asbestos, petroleum, radon and polychlorinated biphenyls (collectively, "Environmental Laws"), except for any violations that, individually or in the aggregate, would not have a Material Adverse Effect on York; and (ii) to the Knowledge of York, with respect to such properties, assets and operations, including any previously owned, leased or operated properties, assets or operations, there are no past or present conditions,

circumstances, activities, practices or incidents of York or its Subsidiaries, that would interfere with or prevent compliance or continued compliance with or give rise to any liabilities or investigatory, corrective or remedial obligations under applicable Worker Safety Laws and Environmental Laws, other than any such interference, prevention, liability or obligation that, individually or in the aggregate, has not had, or would not have, a Material Adverse Effect on York.

(b) To the Knowledge of York, except as disclosed in Section 2.15 of the York Disclosure Letter, York and its Subsidiaries, and their respective predecessors, have not caused or permitted any property, asset, operation, including any previously owned property, asset or operation, to use, generate, manufacture, refine, transport, treat, store, handle, dispose, transfer or process hazardous or toxic materials, substances, wastes, pollutants or contaminants, except in material compliance with all Environmental Laws and Worker Safety Laws, other than any such activity that, individually or in the aggregate, would not have a Material Adverse Effect on York. Except as disclosed in Section 2.15 of the York Disclosure Letter, York and its Subsidiaries have not reported to any Governmental Entity, or been notified by any Governmental Entity of the existence of, any material violation of an Environmental Law or any release, discharge or emission of any hazardous or toxic materials, substances, wastes, pollutants or contaminants that was in violation of Environmental Laws, other than any such violation, release, discharge or emission that, individually or in the aggregate, would not have a Material Adverse Effect on York.

(c) With respect to York and its Subsidiaries, neither this Agreement nor the consummation of the transactions that are the subject of this Agreement will result in any obligations for site investigation or cleanup, or notification to or consent of any Governmental Entity or third party, pursuant to any of the so-called "transaction-triggered" or "responsible property transfer" Environmental Laws, other than any such obligations that are disclosed in Section 2.15 of the York Disclosure Letter or that, individually or in the aggregate, would not have a Material Adverse Effect on York.

Section 2.16. Insurance. York and its Subsidiaries have in effect insurance coverage with reputable insurers, which in respect of amounts, premiums, types and risks insured, constitutes reasonably adequate coverage against all risks customarily insured against by companies of comparable size and with similar operations.

Section 2.17. Required Vote of York Stockholders. The affirmative vote of the holders of a majority of the outstanding shares of York Common Stock is required to adopt this Agreement. No other vote of the stockholders of York is required by law, the York Certificate of Incorporation or the York By-Laws or otherwise in order for York to consummate the Merger and the transactions contemplated by this Agreement.

Section 2.18. State Takeover Laws. The board of directors of York has, to the extent such statute is applicable, taken all action (including appropriate approvals of the Board of directors of York) necessary to exempt York, its Subsidiaries and affiliates, the Merger, this Agreement, and the transactions contemplated hereby from Section 203 of the DGCL. To the knowledge of York, no other state takeover statutes are applicable to the Merger, this Agreement, or the transactions contemplated hereby.

Section 2.19. Opinion of Financial Advisor. York has received the written opinion of Houlihan Lokey Howard & Zukin, dated the date hereof, to the effect that, as of the date hereof the consideration to be received by the York stockholders is fair from a financial point of view, a copy of which opinion has been delivered to Matthews.

Section 2.20. Broker's Fees. Neither York nor any York Subsidiary nor any of their respective officers or directors has employed any broker or finder or incurred any liability for any broker's fees, commissions or finder's fees in connection with the Merger or related transactions contemplated by this Agreement other than the fixed fee paid Houlihan Lokey Howard & Zukin with respect to its engagement by York and the fairness opinion delivered by it.

Section 2.21. Disclosure. To the Knowledge of York, York has made available to Matthews true and complete copies of all agreements, instruments and other

documents requested by Matthews, its counsel and its financial advisor in connection with their legal and financial review of York and its Subsidiaries.

Section 2.22. Unlawful Payments and Contributions. To the Knowledge of York, neither York, any Subsidiary nor any of their respective directors, officers or any of their respective employees or agents has (i) used any York funds for any unlawful contribution, endorsement, gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic governmental official or employee; (iii) violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977, as amended; or (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any person.

Section 2.23. Material Contracts. There have been made available to Matthews, its affiliates and their representatives true and complete copies of all of the following contracts to which York or any of its Subsidiaries is a party or by which any of them is bound (collectively, the "York Material Contracts"): (i) contracts with any current officer or director of York or any of its Subsidiaries; (ii) contracts for the sale of any of the material assets of York or any of its Subsidiaries other than in the ordinary course of business or for the grant to any person of any preferential rights to purchase any of its material assets other than inventory in the ordinary course of

business; (iii) contracts containing covenants of York or any of its Subsidiaries not to compete in any line of business or with any person in any geographical area or covenants of any other person not to compete with York or any of its Subsidiaries in any line of business or in any geographical area; (iv) material indentures, credit agreements, mortgages, promissory notes, and other contracts relating to the borrowing of money; and (v) all other agreements, contracts or instruments which, in the reasonable opinion of York, are material to York or any of its Subsidiaries. Except as set forth in Section 2.23 of the York Disclosure Letter or, individually or in the aggregate as could not reasonably be expected to have a Material Adverse Effect on York, all of the York Material Contracts are in full force and effect and are the legal, valid and binding obligation of York or its Subsidiaries, enforceable against them in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity). Except as set forth in Section 2.23 of the York Disclosure Letter, neither York nor any Subsidiary is in default under any York Material Contract no is any other party to any York Material Contract in default thereunder except, in each case, for those defaults that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect on York.

Section 2.24. Warranties. The accrual for warranty related expenses as of December 31, 2000 reported in York's audited financial statement contained in York's Form 10-K for the year ended December 31, 2000, adequately reflects an amount required for satisfaction of warranty claims due in respect of goods sold or services provided by York or any of its Subsidiaries prior to such date. Such provision has been established in accordance with GAAP. Neither York nor its Subsidiaries have agreed to provide any express product or service warranties other than standard warranties, the terms of which have been provided to Matthews and identified as York's standard warranties.

Section 2.25. Restrictions on Business Activities. Excepting the Constituent Agreements and the Vault Agreement, there is no agreement, commitment, judgment, injunction, order or decree binding upon York or to which York is a party which has or could reasonably be expected to have the effect of prohibiting or materially impairing any business practice of York, any acquisition of property by York or the conduct of business by York as currently conducted other than such effects, individually or in the aggregate, which have not had and would not reasonably be expected to have, a Material Adverse Effect on York.

Section 2.26. Real Property. (a) Section 2.26 of the York Disclosure Letter lists each parcel of real property owned in fee by York or any of its Subsidiaries (the "York Owned Property"). York or its applicable Subsidiary has good and indefeasible title in and to all of the York Owned Property, subject to no Liens that would have a Material Adverse Effect on York or materially impair York's rights to or ability to use any such property, except

as described on Section 2.26(a) of the York Disclosure Letter.

(b) Section 2.26(b) of the York Disclosure Letter sets forth a list of all leases, subleases and other occupancy agreements, including all amendments, extensions and other modifications (the "York Leases") for real property (the "York Leased Property"; the York Owned Property and the York Leased Property collectively the "York Real Property") to which York or any of its subsidiaries is a party. York or its applicable Subsidiary has a valid leasehold interest in and to all of the York Leased Property, subject to no

Liens except as described in Section 2.26(b) of the York Disclosure Letter. Each York Lease is in full force and effect and is enforceable in accordance with its terms. There exists no default or condition on the part of York which, with the giving of notice, the passage of time or both, could become a default under any York Lease in any case, that would have a Material Adverse Effect on York or impair York's rights to or ability to use any such property. York has previously delivered to Matthews true and complete copies of all of the York Leases. Except as described on Section 2.26(b) of the York Disclosure Letter, no consent, waiver, approval or authorization is required from the landlord under any York Lease as a result of the execution of this Agreement or the consummation of the transactions contemplated hereby the failure to obtain would have a Material Adverse Effect on York or materially impair York's right to or ability to use any such property.

Section 2.27. Rights Plan. York has amended its Rights Agreement dated as of September 28, 2000 between York and Computershare Investor Services, LLC, as Rights Agent (the "York Rights Agreement") to make the rights thereunder inapplicable to this Agreement, and all of the transactions contemplated hereby. After such amendment, and subject to York's rights under Section 5.1, York will not thereafter amend the York Rights Agreement to make the rights thereunder applicable to the Merger or so as to make the rights thereunder inapplicable to any acquisition of York capital stock other than pursuant to this Agreement or any of the transactions contemplated hereby.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF MATTHEWS

Except as disclosed in the letter delivered to York concurrently herewith and designated therein as the Matthews Disclosure Letter (the "Matthews Disclosure Letter"), in each case with specific reference to the Section to which exception is taken, Matthews and Merger Sub represent and warrant to York as follows:

Section 3.1. Corporate Organization. Matthews is a company duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania. Merger Sub is a company duly organized, validly existing and in good standing under the laws of the State of Delaware. Each of Matthews and Merger Sub has the corporate power and authority to own or lease all of its respective properties and assets and to carry on its respective business as now being conducted, and is duly licensed or qualified to do business in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned or leased by it makes such licensing or qualification necessary, except where the failure to be so licensed or qualified could not reasonably be expected to have a Material Adverse Effect on Matthews.

Section 3.2. Capitalization. As of the date hereof, the authorized capital stock of Merger Sub consists of 1,000 shares of Common Stock, par value $.01 per share, of which 100 are issued and outstanding. Matthews owns, directly or indirectly, all of the issued and outstanding shares of capital stock of Merger Sub.

Section 3.3. Authority; No Violation. (a) Each of Matthews and Merger Sub has full corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by all requisite action of Matthews and Merger Sub. This Agreement has been duly and

validly executed and delivered by Matthews and Merger Sub and (assuming due authorization, execution and delivery by York of this Agreement) constitutes a

valid and binding obligation of each of Matthews and Merger Sub, enforceable against each in accordance with its terms, subject to bankruptcy, insolvency or other similar laws of general applicability relating to or affecting creditors' rights generally and to general principles of equity.

(b) Neither the execution and delivery of this Agreement by Matthews or the Merger Sub nor the consummation by Matthews or the Merger Sub of the transactions contemplated hereby, nor compliance by Matthews or the Merger Sub with any of the terms or provisions hereof or thereof, will (i) violate any provision of the Matthews or Merger Sub charter documents or (ii) assuming that the consents and approvals referred to in Section 3.4 are duly obtained, (x) violate any statute, code, ordinance, rule, regulation, judgment, order, writ, decree or injunction applicable to Matthews or any of its Subsidiaries or any of their respective properties or assets, or (y) violate, conflict with, result in a breach of any provision of or the loss of any benefit under, constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, result in the termination of or a right of termination or cancellation under, accelerate the performance required by, or result in the creation of any Lien upon any of the respective properties or assets of Matthews or any of its Subsidiaries under, any of the terms, conditions or provisions of any Material Agreement to which Matthews or any of its Subsidiaries is a party, or by which they or any of their respective properties or assets may be bound or affected, except (in the case of clause (ii) above) for such violations, conflicts, breaches or defaults which, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Matthews.

Section 3.4. Consents and Approvals. Except (i) in connection, or in compliance, with the provisions of the HSR Act and any filings required under foreign laws regulating competition, investment or exchange controls, (ii) for the filing of any required State and Foreign Approvals, (iii) for the filing with the SEC and The Nasdaq National Market of the Proxy Statement, (iv) for the filing of the Certificate of Merger with the Secretary of State of Delaware, (v) those consents listed in Section 3.4 of the Matthews Disclosure Letter and (vi) consents, approvals, filings and registrations which if not made or obtained would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Matthews or the Merger Sub, no consents or approvals of or filings or registrations with any Governmental Entity or with any third party are necessary in connection with (A) the execution and delivery by Matthews and the Merger Sub of this Agreement, and (B) the consummation by Matthews and the Merger Sub of the Merger and the other transactions contemplated by this Agreement.

Section 3.5. SEC Documents and Other Reports. Matthews has filed all required documents with the SEC since January 1, 1998 (the "Matthews SEC Documents"). As of their respective dates, the Matthews SEC Documents complied in all material respects with the requirements of the Securities Act or the Exchange Act, as the case may be, and, at the respective times they were filed, none of the Matthews SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The consolidated financial statements (including, in each case, any notes thereto) of Matthews included in the Matthews SEC Documents complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto as of their respective dates of

filing, were prepared in accordance with the published rules and regulations of the SEC and fairly presented in all material respects the consolidated financial position of Matthews and its consolidated Subsidiaries as at the respective dates thereof and the consolidated results of their operations and their consolidated cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments and to any other adjustments described therein). Except as disclosed in the Matthews SEC Documents, Matthews has not, since December 31, 2000, made any change in the accounting practices or policies applied in the preparation of its financial statements.

Section 3.6. Proxy Statement. None of the information to be supplied by Matthews for inclusion or incorporation by reference in the Proxy Statement will, at the time of the mailing of the Proxy Statement and at the time of the Stockholders Meeting, contain any untrue statement of a material fact or omit

to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading.

Section 3.7. Absence of Certain Changes or Events. Except as disclosed in the Matthews SEC Documents filed prior to the date of this Agreement, since December 31, 2000, (a) Matthews and its Subsidiaries, taken as a whole, have conducted their business in the ordinary course of business and have not incurred any material liability or obligation (indirect, direct or contingent), or entered into any material oral or written agreement or other transaction, that is not in the ordinary course of business or that could reasonably be expected to have a Material Adverse Effect on Matthews, and (b) there has been no other event causing a Material Adverse Effect on Matthews, nor any development that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect on Matthews.

Section 3.8. Litigation. There is no litigation pending or, to the knowledge of Matthews or Merger Sub, threatened, against Matthews or Merger Sub that could reasonably be expected to have or result in a material adverse effect on the ability of Matthews or Merger Sub to consummate the transactions contemplated by this Agreement. There are no actions, suits, labor disputes or other litigation, legal or administrative proceedings or governmental investigations pending or, to the knowledge of Matthews, threatened against or affecting Matthews or any of its Subsidiaries or any of its or their officers, directors or employees, as such, or any of its or their properties, assets or business relating to the transactions contemplated by this Agreement.

Section 3.9. Brokers, Finders, etc. Neither Matthews nor Merger Sub has employed any broker or finder in connection with the transactions contemplated herein so as to give rise to any claim for any brokerage or finder's commission, fee or similar compensation.

Section 3.10. Vote of Stockholders. No vote or approval of any class of Matthews stockholders is required for Matthews to execute this Agreement or to consummate the transactions contemplated herein. Merger Sub has obtained the unanimous written consent of its sole stockholder approving Merger Sub's execution of this Agreement and consummation of the transactions contemplated herein.

Section 3.11. Financing. As of the Closing Date, Matthews will have immediately available funds for payment in full of the purchase price per share for each share of York Common Stock outstanding, in immediately available funds.

ARTICLE IV
CONDUCT OF BUSINESS

Section 4.1. Conduct of York. York agrees that from the date hereof until the Effective Time, except as set forth in Section 4.1 of the York Disclosure Letter, as otherwise contemplated by this Agreement or with the prior written consent of Matthews, York and its Subsidiaries shall conduct their business in the ordinary course consistent with past practice and shall use their reasonable efforts to preserve intact their business organizations and relationships with third parties and to keep available the services of their present officers and employees. Without limiting the generality of the foregoing, from the date hereof until the Effective Time, except as set forth in Section 4.1 of the York Disclosure Letter or as expressly contemplated by this Agreement, without the prior written consent of Matthews, York will not, and will not permit any of its Subsidiaries to:

(a) adopt or propose any change in its charter, bylaws or equivalent documents;

(b) amend any material term of any outstanding security of York or any of its Subsidiaries, except for outstanding stock option plans or agreements in order to effectuate Section 1.5(d) herein, and subject to York's rights under Section 5.1, the York Rights Agreement and the Rights to make them inapplicable to this Agreement and the Merger;

(c) merge or consolidate with any corporation, limited liability company, partnership, trust, association, individual or any other entity or organization ("Person");

(d) issue, sell, pledge, dispose of, grant, transfer, lease, license, guarantee, encumber, or authorize the issuance, sale, pledge, disposition, grant, transfer, lease, license, guarantee or encumbrance of, (i) any shares of capital stock of York or any of its Subsidiaries (other than the issuance of shares by a wholly-owned Subsidiary of York to York or another wholly-owned Subsidiary of York), or securities convertible or exchangeable or exercisable for any shares of such capital stock, or any options, warrants or other rights of any kind to acquire any shares of such capital stock or such convertible or exchangeable securities, or any stock appreciation rights or limited stock appreciation rights, or any other ownership interest of York or any of its Subsidiaries or (ii) except in the ordinary course of business and in a manner consistent with past practice (such as the sale of inventory to customers), any property or assets (tangible or intangible) (including, without limitation, by merger, consolidation, spinoff or other dispositions of stock or assets) of York or any of its Subsidiaries (it is understood and agreed that sales by York of its operating and non-operating assets are not deemed to be in the ordinary course of business under this subsection (ii)), except in the case of either clause (i) or (ii) (A) the issuance of York Common Stock upon the exercise of stock options issued pursuant to the York Stock Plans prior to the date hereof, (B) pursuant to existing obligations under contracts or agreements in force at the date of this Agreement and (C) sales or other dispositions of non-operating property and assets of York and its Subsidiaries; provided, however, that York shall provide at least ten (10) days prior written notice to Matthews of any such proposed sale or other disposition of non-operating property or assets; and provided, further, that York shall not sell or otherwise dispose of non-operating property and assets of York and its Subsidiaries in a manner which includes continuing indemnity obligations by York without the written consent of Matthews, which will not be unreasonably withheld;

(e) create or incur any Lien on any asset (tangible or intangible) other than in the ordinary course of business and consistent with past practice;

(f) make any loan, advance or capital contributions to or investments in any Person other than loans, advances or capital contributions to or investments in wholly-owned Subsidiaries of York made in the ordinary course and consistent with past practices;

(g) declare, set aside, make or pay any dividend or other distribution, payable in cash, stock, property or otherwise, with respect to any of its capital stock (except for dividends paid by any direct or indirect wholly-owned Subsidiary of York to York or to any other direct or indirect wholly-owned Subsidiary of York) or enter into any agreement with respect to the voting of its capital stock;

(h) reclassify, combine, split, subdivide or redeem, purchase or otherwise acquire, directly or indirectly, any of its capital stock;

(i) (i) acquire (including, without limitation, by merger, consolidation or acquisition of stock or assets) any interest in any Person or any division thereof (other than a wholly-owned Subsidiary) or any assets, other than acquisitions of assets in the ordinary course of business and consistent with past practice and any other acquisitions for consideration that is not, in the aggregate, in excess of $200,000, (ii) incur any indebtedness for borrowed money or guarantee such indebtedness of another Person, or issue or sell any debt securities or warrants or other rights to acquire any debt security of York or any of its Subsidiaries, except for (A) indebtedness for borrowed money incurred in the ordinary course of business and consistent with past practice or in connection with transactions otherwise permitted under this Section 4.1, and (B) other indebtedness for borrowed money incurred under York 's credit agreement (or any replacement thereof) for working capital purposes only not to exceed $15,000,000 at any time outstanding, (iii) terminate, cancel, waive any rights under or request any material change in, or agree to any material change in, any material contract or agreement of York or, except in connection with transactions permitted under this Section 4.1(i), enter into any contract or agreement material to the business, results of operations or financial condition of York and its Subsidiaries, taken as a whole, in either case other than in the ordinary course of business and consistent with past practice, or (v) enter into or amend any contract, agreement, commitment or arrangement that, if fully performed, would not be permitted under this Section 4.1(i);

(j) take any action with respect to accounting policies or procedures, other than actions in the ordinary course of business and consistent with past practice or except as required by changes in GAAP;

(k) make any material election with respect to Taxes or take any position on any Tax Return filed on or after the date of this Agreement or adopt any method therefor that is inconsistent with elections made, positions taken or methods used in preparing or filing similar Tax Returns in prior periods;

(l) except as may be required by changes in law, contractual commitments or corporate policies with respect to severance pay, termination pay or bonus programs in existence on the date hereof, and additional commitments for retention bonuses of up to $300,000 in the aggregate, (i) increase the compensation payable or to become payable to its officers or employees (except for increases in the ordinary course of business and consistent with past practice in salaries or wages of employees of York or any of its

Subsidiaries), (ii) establish, adopt, enter into or amend any collective bargaining, bonus, profit sharing, thrift, compensation, employment, termination, severance or other plan, agreement, trust, fund, policy or arrangement for the benefit of any director, officer or employee, except as contemplated by this Agreement or to the extent required by applicable law or the terms of a collective bargaining agreement, or (iii) increase the benefits payable under any existing severance or termination pay policies or employment or other agreements;

(m) take any action that, individually or in the aggregate, makes any representation and warranty of York hereunder untrue in any material respect at, or as of any time prior to, the Effective Time; or

(n) agree or commit to do any of the foregoing.

ARTICLE V
ADDITIONAL AGREEMENTS

Section 5.1. No Solicitation. (a) York agrees that it shall not, nor shall it permit any of its Subsidiaries to, nor shall it authorize any officer, director or employee or any investment banker, attorney, accountant, agent or other advisor or representative of York, or any of its respective Subsidiaries to, (i) solicit, initiate or knowingly encourage the submission of any Takeover Proposal, (ii) enter into any agreement with respect to a Takeover Proposal or (iii) participate in any discussions or negotiations regarding, or furnish to any Person any information with respect to, or take any other action to facilitate any inquiries or the making of any proposal that constitutes, or may reasonably be expected to lead to, any Takeover Proposal; provided, however, that to the extent required by the fiduciary obligations of the board of directors of York as determined in good faith by a majority of the members thereof (after consultation with outside legal counsel), York may, in response to unsolicited requests therefor, participate in discussions or negotiations with, and furnish information pursuant to a confidentiality agreement no less favorable to such party than the Confidentiality Agreement (as defined in Section 5.4) to, any Person who indicates a willingness to make a Superior Proposal. York immediately shall cease all existing discussions or negotiations with any Persons conducted heretofore with respect to, or that could reasonably be expected to lead to, any Takeover Proposal. For all purposes of this Agreement, (i) "Takeover Proposal" means any proposal for a merger, consolidation, share exchange, business combination or other similar transaction involving York, or any of its Significant Subsidiaries (as hereinafter defined) or any proposal or offer to acquire, directly or indirectly, an equity interest in, at least 15% of the voting securities of, or a substantial portion of the assets of, York or any of its Significant Subsidiaries, other than the transactions contemplated by this Agreement, (ii) "Superior Proposal" means a bona fide written proposal made by a third party to acquire all of the outstanding equity interests in or substantially all of the assets of York pursuant to a tender or exchange offer, a merger, a share exchange, a sale of all or substantially all its assets or otherwise on terms which a majority of the members of the board of directors of York determines in good faith (taking into account the advice of independent financial advisors) to be more favorable to York and its stockholders than the Merger , and (iii) a "Significant Subsidiary" means any Subsidiary that would constitute a "significant subsidiary" within the meaning of Rule 1-02 of

Regulation S-X of the SEC.

(b) Except as otherwise provided in this Section 5.1(b), neither the board of directors of York nor any committee thereof shall (i) withdraw or modify, or propose to withdraw or modify, in a manner adverse to Matthews, the approval or recommendation by the board of directors of York or any such committee of this Agreement or the Merger or (ii) approve or recommend, or propose to approve or recommend, any Takeover Proposal. Notwithstanding the foregoing, (i) the board of directors of York, to the extent required by its fiduciary obligations, as determined in good faith by a majority of the members thereof (after consultation with outside legal counsel), may approve or recommend a Superior Proposal or withdraw or modify its approval or recommendation of this Agreement or the Merger and (ii) nothing contained in this Agreement shall prevent the board of directors of York from complying with Rule 14d-9 and Rule 14e-2 promulgated under the Exchange Act with regard to a Takeover Proposal.

(c) York shall notify Matthews promptly (but in no event later than one business day) after receipt by York (or its advisors) of any Takeover Proposal or any request for nonpublic information in connection with a Takeover Proposal or for access to the properties, books or records of York by any Person or entity that informs York that it is considering making, or has made, a Takeover Proposal. Such notice shall be made orally and in writing. York shall keep Matthews informed, on a current basis, of the status of any such Takeover Proposal or request.

Section 5.2. Proxy Statement. (a) York shall prepare and file with the SEC the Proxy Statement at a time which is appropriate in view of the anticipated Closing Date. The Proxy Statement shall include the recommendation of the board of directors of York in favor of approval and adoption of this Agreement and the Merger, except to the extent the board of directors of York, in accordance with the terms of Section 5.1(b), shall have withdrawn or modified its approval or recommendation of this Agreement and the Merger. Matthews shall assist and cooperate with York in preparing the Proxy Statement and shall provide York with information required to be disclosed in the Proxy Statement relating to Matthews. York shall use its commercially reasonable efforts to cause the Proxy Statement to be mailed to its stockholders as promptly as practicable after SEC approval. If at any time prior to the Effective Time any event with respect to any party or its officers and directors or any of its Subsidiaries shall occur that is required to be described in the Proxy Statement, the parties will work together in good faith to ensure that such event shall be so described, and an appropriate amendment or supplement shall be promptly filed with the SEC and, as required by law, disseminated to the stockholders of York. Each party agrees that the Proxy Statement will comply (with respect to such party) as to form in all material respects with the provisions of the Exchange Act.

(b) York and Matthews shall make all necessary filings with respect to the Merger and the transactions contemplated thereby under the Securities Act and the Exchange Act and applicable "Blue Sky" laws and the rules and regulations thereunder. No filing of, or supplement to, the Proxy Statement will be made by York without providing Matthews the opportunity to review and comment thereon. If at any time prior to the Effective Time any information relating to York or Matthews, or any of their respective affiliates, officers or directors, should be discovered by York or Matthews which should be set forth in a supplement to the Proxy Statement, so that such Proxy Statement would not include any misstatement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the party which discovers such information shall promptly notify the other parties hereto and an appropriate amendment or supplement describing such information shall be promptly filed

with the SEC and, to the extent required by law, disseminated to York stockholders.

Section 5.3. Stockholders Meeting. York shall duly call, give notice of, convene and hold a meeting of its stockholders (the "Stockholders Meeting") for the purpose of voting on the adoption of this Agreement and, through its board of directors, will recommend to its stockholders adoption of this Agreement, except to the extent that the board of directors of York shall have withdrawn or modified its approval or recommendation of this Agreement and the

Merger as permitted by Section 5.1(b). In a manner consistent with its fiduciary duties to its stockholders and as it may reasonably determine to be consistent with the objective of consummating the Merger, York shall use commercially reasonable efforts to convene the Stockholders Meeting within 45 days of the Proxy Statement being approved by the SEC. So long as the York board continues to recommend the Merger, York shall use its commercially reasonable efforts to solicit from its stockholders proxies in favor of the Merger and to take all other action necessary or advisable to secure the vote or consent of the stockholders required to effect the Merger. In the Proxy, York will take all actions required under the DGCL to notify its stockholders that appraisal rights are available for York Common Stock pursuant to Section 262 of the DGCL including sending a copy of Section 262 of the DGCL to its stockholders.

Section 5.4. Access to Information. Upon reasonable notice and subject to applicable law and other legal obligations, York shall, and shall cause each of its Subsidiaries to, afford to the officers, employees, accountants, counsel and other representatives of Matthews, access, during the period prior to the Effective Time, to all its properties, books, contracts, commitments and records and, during such period, York shall, and shall cause each of its Subsidiaries to, furnish promptly to Matthews (a) a copy of each report, schedule, registration statement and other document filed or received by it during such period pursuant to the requirements of federal securities laws and (b) all other information concerning its business, properties and personnel as Matthews may reasonably request. Unless otherwise required by law, the parties will hold any such information which is nonpublic in confidence in accordance with Confidentiality Agreement dated as of January 16, 2001 between York and Matthews (the "Confidentiality Agreement"). No information or knowledge obtained in any investigation pursuant to this Section 5.4 shall affect or be deemed to modify any representation or warranty contained in this Agreement or the conditions to the obligations of the parties to consummate the Merger.

Section 5.5. Notices of Certain Events. (a) York and Matthews shall promptly notify each other of:

(i) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement; and

(ii) any notice or other communication from any Governmental Entity in connection with the transactions contemplated by this Agreement.

(iii) any actions, suits, claims, investigations or proceedings commenced or, to the knowledge of either party, threatened against, relating to or involving or otherwise affecting either party or any of their Subsidiaries which, if pending on the date of this Agreement, would have been required to have been disclosed pursuant to Section 2.10 or which relate to the consummation of the transactions contemplated by this Agreement;

(iv) any fact or event which would be reasonably likely to demonstrate that any representation or warranty of any party hereto contained in this Agreement was or is untrue or inaccurate in any material respect as of the date of this Agreement;

(v) the occurrence or non-occurrence of any fact or event which would be reasonably likely to cause any material covenant, condition or agreement of any party hereto under this Agreement not to be complied with or satisfied in all material respects;

(vi) any failure of any party hereto to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder in any material respect;

provided, however, that no such notification shall affect the representations or warranties of any party or the conditions to the obligations of any party hereunder.

Section 5.6. Appropriate Action; Consents; Filings. (a) Subject to the terms and conditions of this Agreement and except to the extent that the board of directors of York shall have withdrawn or modified its approval or recommendation of this Agreement or the Merger, as permitted by Section

5.1(b), York and Matthews shall use their reasonable best efforts to (A) take, or cause to be taken, all actions, and do, or cause to be done, all things, necessary, proper or advisable under applicable laws to consummate the Merger and the other transactions contemplated by this Agreement as promptly as practicable, (B) obtain from any Governmental Entity any consents, licenses, permits, waivers, approvals, authorizations or orders required to be obtained or made by York and Matthews or any of their Subsidiaries, or to avoid any action or proceeding by any Governmental Entity (including, without limitation, those in connection with the HSR Act or other foreign laws or regulations), in connection with the authorization, execution and delivery of this Agreement and the consummation of the transactions contemplated herein, and (C) make all necessary filings, and thereafter make any other required submissions, with respect to this Agreement and the Merger required under the Securities Act, the Exchange Act and any other applicable law; provided, however, that York and Matthews shall cooperate with each other in connection with the making of all such filings, including providing copies of all such documents to the non-filing party and its advisors prior to filing and, if requested, accepting all reasonable additions, deletions or changes suggested in connection therewith. York and Matthews shall furnish to each other all information required for any application or other filing to be made pursuant to the rules and regulations of any applicable law in connection with the transactions contemplated by this Agreement. Subject to the terms and conditions of this Agreement and except to the extent that the board of directors of York shall have withdrawn or modified its approval or recommendation of this Agreement or the Merger, as permitted by Section 5.1(b), York and Matthews shall not take any action, or refrain from taking any action, the effect of which would be to delay or impede the ability of York and Matthews to consummate the transactions contemplated by this Agreement.

(b) Each of Matthews and York shall use their reasonable best efforts to resolve such objections, if any, as may be asserted by any Governmental Entity with respect to the transactions contemplated by this Agreement under HSR, the Sherman Act, as amended, the Clayton Act, as amended, the Federal Trade Commission Act, as amended, and any other Federal, state or foreign statutes, rules, regulations, orders or decrees that are designed to prohibit, restrict

or regulate actions having the purpose or effect of monopolization or restraint of trade (collectively, "Antitrust Laws"). In connection therewith, if any administrative or judicial action or proceeding is instituted (or threatened to be instituted) challenging any transaction contemplated by this Agreement as violative of any Antitrust Law, each of Matthews and York shall cooperate and use their reasonable best efforts to contest and resist any such action or proceeding and to have vacated, lifted, reversed, or overturned any decree, judgment, injunction or other order, whether temporary, preliminary or permanent (each, an "Order"), that is in effect and that prohibits, prevents, or restricts consummation of the Merger or any such other transactions, unless by mutual agreement Matthews and York decide that litigation is not in their respective best interests. Each of Matthews and York shall use their reasonable best efforts to take such action as may be required to cause the expiration of the notice periods under the HSR or other Antitrust Laws with respect to the Merger and the other transactions contemplated by this Agreement as promptly as possible after the execution of this Agreement. Matthews and York also agree to take any and all of the following actions to the extent necessary to obtain the approval of any Governmental Entity with jurisdiction over the enforcement of any applicable laws regarding the transactions contemplated hereby: entering into negotiations; providing information required by law or governmental regulation; and complying with any additional requests for information pursuant to the Antitrust Laws.

(c) (i) York and Matthews shall give, or shall cause their respective Subsidiaries to give, any notices to third parties, and use, and cause their respective Subsidiaries to use, commercially reasonable efforts to obtain any third party consents necessary, proper or advisable in order to consummate the transactions contemplated by this Agreement.

(ii) In the event that either party shall fail to obtain any third party consent described in Section 5.6(c)(i) above, such party shall use commercially reasonable efforts, and shall take any such actions reasonably requested by the other party hereto, to minimize any adverse effect upon York and Matthews, their respective Subsidiaries, and their respective businesses resulting, or which could reasonably be expected to result after the Effective

Time, from the failure to obtain such consent.

Section 5.7. Public Disclosure. York and Matthews will consult with each other before issuing any press release or otherwise making any public statement with respect to the Merger, this Agreement or the transactions contemplated hereby and shall not issue any such press release or make any such public statement without the prior consent of the other party, which shall not be unreasonably withheld or delayed. York will consult with Matthews before issuing any press releases or making any other public statements containing forward looking information and shall not issue any such press release or make any such statement without the prior consent of Matthews, which shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, any such press release or public statement as may be required by applicable law or any listing agreement with any national securities exchange may be issued prior to consultation, if the party making such release or statement has used its reasonable efforts to consult with the other party.

Section 5.8. Indemnification of Directors and Officers. (a) After the Effective Time, Matthews and the Surviving Corporation shall jointly and severally, to the fullest extent permitted by applicable law, indemnify, hold harmless, and defend each and every present and former director, officer, employee, fiduciary, and agent of York and each Subsidiary of York

(collectively, the "Indemnified Parties") from and against all attorneys' fees, judgments, fines, losses, claims, damages, liabilities, settlement amounts, costs and expenses ("Adverse Consequences") in connection with any claim, action, suit, proceeding or investigation (whether arising or relating to facts occurring before, at or after the Effective Time), whether civil, administrative or investigative ("Proceeding"), arising out of or pertaining to any action or omission in their capacity as an officer, director, employee, fiduciary or agent (including the transactions contemplated by this Agreement) provided that any determination required to be made with respect to whether an Indemnified Party's conduct complies with the standards set forth under Delaware law or the provisions hereunder, as the case may be, shall be made by independent counsel selected by the Indemnified Party and reasonably acceptable to Matthews; and that nothing herein shall impair any rights or obligations of any Indemnified Party. In the event that any claim or claims are brought against any Indemnified Party (whether arising before or after the Effective Time), such Indemnified Party may select counsel for the defense of such claim, which counsel shall be reasonably acceptable to York (if selected prior to the Effective Time) and Matthews (if selected after the Effective Time).

(b) For a period of six years from the Effective Time, the Surviving Corporation and Matthews shall provide to the Indemnified Parties liability insurance protection substantially equivalent in kind and scope as that provided by York's current directors' and officers' liability insurance policies (copies of which have been made available to Matthews); provided, however, that in no event shall the Surviving Corporation and Matthews be required to expend in any one year an amount in excess of 150% of the annual premiums currently paid by York for such insurance; provided, further, that if during such period the annual premiums for such comparable insurance coverage exceed such amount, the Surviving Corporation and Matthews shall be obligated to provide a policy which, in the reasonable judgment of the Surviving Corporation and Matthews, provides the best coverage available for a cost not exceeding such amount.

(c) To the extent there is any Proceeding (whether arising before or after the Effective Time) against an Indemnified Party that arises out of or pertains to any action or omission in his or her capacity as director, officer, employee, fiduciary or agent of York occurring prior to the Effective Time, or arises out of or pertains to the transactions contemplated by this Agreement for a period of six years after the Effective Time (whether arising before or after the Effective Time), in each case for which such Indemnified Party is indemnified under this Section 5.11, such Indemnified Party shall be entitled to be represented by counsel, reasonable costs and fees of which shall be paid when due by Matthews following the Effective Time. Neither the Surviving Corporation nor Matthews shall be bound by any settlement effected unless one or the other gives written consent (which consent shall not be unreasonably withheld by either). In the event that any claim or claims for indemnification are asserted or made prior to the date that is six years after

the Effective Time, all rights to indemnification and defense in respect to any such claim or claims shall continue until the disposition of any and all such claims.

(d) If any Indemnified Party is entitled under any provision of this Agreement to indemnification by Matthews or the Surviving Corporation for only a portion (but not, however, for the total amount) of any Adverse Consequences actually incurred by Indemnitee in connection with any Proceeding, Matthews and the Surviving Corporation shall nevertheless indemnify such Indemnified Party for the portion of such Adverse Consequences to which such Indemnified Party is

entitled. If the indemnification provided for herein in respect of any Adverse Consequences actually incurred by such Indemnified Party in connection with any Proceeding is finally determined by a court of competent jurisdiction to be prohibited by applicable law, then Matthews and the Surviving Corporation, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable as a result of such Adverse Consequences in such proportion as is appropriate to reflect (i) the relative benefits received by Matthews, the Surviving Corporation, York and/or any Subsidiary on the one hand and the Indemnified Party on the other hand from the events, circumstances, conditions, happenings, actions or transactions from which such Adverse Consequences arose, (ii) the relative fault of Matthews, the Surviving Corporation, York and/or any Subsidiary (including its representatives) on the one hand and of the Indemnified Party on the other hand in connection with the events, circumstances and happenings which resulted in such Adverse Consequences, such relative fault to be determined by reference to, among other things, the parties' relative intent, knowledge, access to information and opportunity to correct or prevent the events, circumstances and/or happenings resulting in such Adverse Consequences, and (iii) any other relevant equitable considerations, it being agreed that it would not be just and equitable if such contribution were determined by pro rata or other method of allocation which does not take into account the foregoing equitable considerations.

(e) The indemnification provided herein shall be applicable whether or not negligence of the Indemnified Party is alleged or proved, and regardless of whether such negligence be contributory or sole.

(f) If requested to do so by the Indemnified Party with respect to any Proceeding, Matthews shall advance to or for the benefit of the Indemnified Party, prior to the final disposition of such Proceeding, the expenses actually incurred by such Indemnified Party in investigating, defending or appealing such Proceeding. Any judgments, fines or amounts to be paid in settlement of any Proceeding shall also be advanced by Matthews upon request by the Indemnified Party. Advances made by Matthews are subject to refund as provided in the following paragraph.

(g) If Matthews advances or pays any amount to the Indemnified Party under this Section and if it shall thereafter be finally adjudicated that the Indemnified Party was not entitled to be indemnified hereunder for all or any portion of such amount, then the Indemnified Party shall promptly repay such amount or such portion thereof, as the case may be, to Matthews. If Matthews advances or pays any amount to an Indemnified Party under this Section and if the Indemnified Party shall thereafter receive all or a portion of such amount under one or more policies of directors and officers liability insurance, such Indemnified Party shall promptly repay such amount or such portion thereof, as the case may be, to Matthews.

(h) If any change after the date of this Agreement in any applicable law, statute or rule expands the power of Matthews or the Surviving Corporation to indemnify any Indemnified Party, such change shall be within the purview of such Indemnified Party's rights and Matthew's and the Surviving Corporation's obligations under this Agreement. If any change after the date of this Agreement in any applicable law, statute or rule narrows the right of Matthews or the Surviving Corporation to indemnify an Indemnified Party, such change shall, to the fullest extent permitted by applicable law, leave this Agreement and the parties' rights and obligations hereunder unaffected.

(i) The indemnification and other rights provided by any provisions of this Agreement shall not be deemed exclusive of any other rights to which any

Indemnified Party may be entitled under (i) any statutory or common law, (ii) Matthew's, the Surviving Corporation's, York's or any Subsidiary's articles or certificate of incorporation, (iii) Matthews, the Surviving Corporation's, York's, or any Subsidiary's bylaws, (iv) any other agreement or (v) any vote of stockholders or disinterested directors or otherwise, both as to action in the Indemnified Party's official capacity and as to action in another capacity while occupying any of the positions or having any of the relationships referred to in this Agreement. Nothing in this Agreement shall in any manner affect, impair or compromise any indemnification, any Indemnified Party has or may have by virtue of any agreement previously entered into between such Indemnified Party and Matthews, the Surviving Corporation, York or any Subsidiary.

(j) The indemnification provisions of this Section 5.8 of this Agreement shall inure to the benefit of and be enforceable by (i) each Indemnified Party and any Indemnified Party's personal or legal representatives, executors, administrators, heirs, devisees and legatees and (ii) Matthews, the Surviving Corporation, York, the Subsidiaries and their respective successors and assigns. This Section 5.8 shall not inure to the benefit of any other Person. Matthews and the Surviving Corporation agree to require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of Matthews or the Surviving Corporation, as applicable, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that Matthews and/or the Surviving Corporation, as applicable, would be required to perform it if no such succession had taken place. As used in this Section, the term "Matthews" and the term "Surviving Corporation" shall include any successor to their respective businesses and/or assets as aforesaid which executes and delivers the assumption and agreement provided for in this Section or which otherwise becomes bound by all terms and provisions of this Agreement by operation of law.

Section 5.9. State Takeover Laws. If any "fair price," "business combination" or "control share acquisition" statute or other similar statute or regulation shall become applicable to the transactions contemplated hereby, York shall use its reasonable best efforts to grant such approvals and take such actions as are necessary so that the transactions contemplated hereby and thereby may be consummated as promptly as practicable on the terms contemplated hereby and thereby and otherwise act to minimize the effects of any such statute or regulation on the transactions contemplated hereby and thereby.

Section 5.10. Rights Agreement. York hereby agrees that it has taken and will continue to take all necessary action to ensure that none of the transactions contemplated in this Agreement will cause Matthews, the Merger Sub or any of Matthews' affiliates or associates to become an Acquiring Person under the York Rights Agreement or subject to York's rights under Section 5.1, otherwise affect in any way the rights under the York Rights Agreement, including causing such rights to separate from the underlying shares or by giving such holders the rights to acquire securities of any party hereto.

Section 5.11. Employees. For at least two (2) years following the Closing, Matthews agrees to provide employee benefits to the employees of York and its Subsidiaries which are in the aggregate no less favorable than such benefits that were provided by York and the Subsidiaries as of the Closing. For these purposes, the employees of York and their Subsidiaries will be given credit

for years of service with York, its subsidiaries and their predecessors for all employee benefit purposes, with the exception of the defined benefit pension plans of Matthews.

ARTICLE VI
CONDITIONS TO MERGER

Section 6.1. Conditions to Each Party's Obligations. The respective obligations of each party to this Agreement to consummate the Merger and the transactions contemplated hereby shall be subject to the satisfaction of the following conditions:

(a) Stockholder Approvals. This Agreement and the Merger shall have been approved and adopted by the stockholders of York.

(b) Waiting Periods; Approvals. The waiting period applicable to the consummation of the Merger under the HSR Act shall have expired or been terminated.

(c) No Injunctions or Restraints. No temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal or regulatory restraint shall prohibit the consummation of the Merger.

Section 6.2. Additional Conditions to Obligations of York. The obligations of York to consummate the Merger and the transactions contemplated hereby shall be subject to the satisfaction of the following additional conditions, any of which may be waived in writing exclusively by York:

(a) Representations and Warranties. The representations and warranties of Matthews set forth in Article III shall be true and correct as of the date of the Agreement and as of the Closing Date, in each case as though made on and as of such date (except to the extent any such representation or warranty expressly speaks as of an earlier date), except for such breaches or inaccuracies that do not (without giving effect as to any limitation as to "materiality" or "Material Adverse Effect" set forth therein), individually or in the aggregate, materially affect the ability of Matthews to consummate the Merger; and York shall have received a certificate signed on behalf of Matthews by an executive officer of Matthews to such effect.

(b) Performance of Obligations. Matthews shall have performed in all material respects each obligation and agreement and shall have complied in all material respects with each covenant required to be performed and complied with by it under this Agreement at or prior to the Effective Time; and York shall have received a certificate signed on behalf of Matthews by an executive officer of Matthews to such effect.

Section 6.3. Additional Conditions to Obligations of Matthews. The obligation of Matthews to effect the Merger is subject to the satisfaction of each of the following additional conditions, any of which may be waived in writing exclusively by Matthews:

(a) Representations and Warranties. The representations and warranties of York set forth in Article II shall be true and correct as of the date of this Agreement and as of the Closing Date, in each case as though made on and as of such date (except to the extent any such representation or warranty expressly speaks as of an earlier date), except for such breaches or inaccuracies that do not (without giving effect as to any limitation as to "materiality" or

"Material Adverse Effect" set forth therein except for any materiality limitations relating to the disclosure of documents by York), individually or in the aggregate, have a Material Adverse Effect on York; and Matthews shall have received a certificate signed on behalf of York by an executive officer of York to such effect. For purposes of determining whether a Material Adverse Effect on York has occurred, due consideration shall be given to whether York achieved the Threshold EBITDA.

(b) Performance of Obligations. York shall have performed in all material respects each obligation and agreement and shall have complied in all material respects with each covenant required to be performed or complied with by it under this Agreement at or prior to the Effective Time; and Matthews shall have received a certificate signed on behalf of York by an executive officer of York to such effect.

ARTICLE VII
TERMINATION

Section 7.1. Termination. This Agreement may be terminated at any time prior to the Effective Time (with respect to Sections 7.1(b) through 7.1(j), by written notice by the terminating party to the other party), whether before or after approval of the matters presented in connection with the Merger by the stockholders of York:

(a) by mutual written consent of York and Matthews; or

(b) by York or Matthews, if the Merger shall not have been consummated by December 31, 2001 (the "End Date"); provided, however, that the right to

terminate this Agreement under this Section 7.1(b) shall not be available to any party whose failure to fulfill any obligation under this Agreement has been the cause of or resulted in the failure of the Merger to occur on or before the End Date; and provided, further, that the End Date may be extended by York until five days after the earlier of the expiration or termination of any applicable waiting period under the HSR Act; or

(c) by York or Matthews, if a court of competent jurisdiction or other Governmental Entity shall have issued a final, non-appealable order, decree or ruling, or taken any other action, having the effect of permanently restraining, enjoining or otherwise prohibiting the Merger; or

(d) by York or Matthews if, at the Stockholders Meeting (including any adjournment or postponement thereof), the requisite vote of the stockholders of York in favor of adoption of this Agreement shall not have been obtained; or

(e) by Matthews if the Board of Directors of York shall not have recommended or shall have withdrawn its recommendation of this Agreement and the Merger, except in the case of 7.1(f) below; or

(f) by Matthews or York, if the Board of Directors of York shall have determined to recommend a Takeover Proposal to its shareholders and to enter into a binding written agreement concerning such Takeover Proposal after determining, pursuant to Section 5.1, that such Takeover Proposal constitutes a Superior Proposal; provided, however, that York may not terminate this Agreement pursuant to this Section 7.1(f) unless (i) York has delivered to Matthews a written notice of York's intent to enter into such an agreement to effect the Superior Proposal and (ii) five business days have elapsed following delivery to Matthews of such written notice by York; or

(g) by Matthews, if a material breach of or failure to perform any representation, warranty, covenant or agreement on the part of York set forth in this Agreement shall have occurred which remains uncured for a period of ten (10) business days after the notice of such breach or failure and such breach or failure would cause the conditions set forth in Sections 6.3(a) or 6.3(b) not to be satisfied, and such conditions are incapable of being satisfied by the End Date; or

(h) by York, if a material breach of or failure to perform any representation, warranty, covenant or agreement on the part of Matthews set forth in this Agreement shall have occurred which remains uncured for a period of ten (10) business days after the notice of such breach or failure and such breach or failure would cause the conditions set forth in Sections 6.2(a) or 6.2(b) not to be satisfied, and such conditions are incapable of being satisfied by the End Date; or

(i) by York, if the Threshold EBITDA is achieved and the York Equity Value is greater than $11 per share; or

(j) by Matthews if the Threshold EBITDA is not achieved.

Section 7.2. Effect of Termination. In the event of termination of this Agreement pursuant to Section 7.1, there shall be no liability or obligation on the part of York, Matthews or their respective officers, directors, stockholders or Affiliates, except as set forth in Section 7.3, or except to the extent that such termination results from willful breach by a party of any of its representations, warranties, covenants or agreements contained in this Agreement; provided, however, that the provisions of Sections 7.3 and 7.4, of this Agreement and the Confidentiality Agreement shall remain in full force and effect and survive any termination of this Agreement.

Section 7.3. Fees and Expenses. (a) Except as set forth in this Section 7.3 or elsewhere in this Agreement, all fees and expenses incurred in connection with this Agreement and closing the Merger contemplated hereby shall be paid by the party incurring such expenses, whether or not the Merger is consummated; provided, however, that York and Matthews shall share equally all fees and expenses, other than attorneys' and accounting fees and expenses, incurred in relation to the printing and filing of the Proxy Statement (including any related preliminary materials).

(b) If this Agreement is terminated (i) by Matthews pursuant to Section 7.1(e)

and the Threshold EBITDA is achieved and the York Equity Value is greater than $11 per share, or (ii) by York pursuant to Section 7.1(i), York shall pay to Matthews a termination fee of $6,000,000 by wire transfer within one business day after such termination. If the Threshold EBITDA is achieved and the York Equity Value is greater than $11 per share, any termination by York under Section 7.1(d) shall be presumed to be under Section 7.1(i) rather than Section 7.1(d).

(c) If (i) this Agreement is terminated by York pursuant to Section 7.1(d) and either (x) a Takeover Proposal with respect to York shall have been made after the date of this Agreement and prior to the Stockholders Meeting or (y) York's Board of Directors shall not have recommended or shall have withdrawn its recommendation of this Agreement and the Merger or (ii) this Agreement is terminated by York or Matthews pursuant to Section 7.1(f), and, in the case of either (i) or (ii) above, York or its stockholders consummate the sale or transfer, by way of merger, consolidation or otherwise, of a majority interest in the equity of York or substantially all of York's assets to any other

Person within nine months of the date of termination of this Agreement, then York shall pay the $6,000,000 termination fee within one day after the closing of such transaction.

(d) If this Agreement is terminated by Matthews pursuant to Section 7.1(b), 7.1(c), 7.1(d), 7.1(g) (except in the case of an intentional misrepresentation by York), or 7.1(j), Matthews shall pay to York a termination fee of $6,000,000 by wire transfer within one business day after such termination.

(e) If this Agreement is terminated by York pursuant to Section 7.1(b), 7.1(c) or 7.1(h), Matthews shall pay York a termination fee of $6,000,000 by wire transfer within one business day after such termination.

(f) If any party is obligated to pay a termination fee under any of the subsections of Section 7.3 described above, in any such case it shall only be obligated to pay such fee once. If one party fails to promptly pay to the other any fee or expense due hereunder, the defaulting party shall pay the costs and expenses (including reasonable legal fees and expenses) in connection with any action, including the filing of any lawsuit or other legal action, taken to collect payment, together with interest on the amount of any unpaid fee at the publicly announced prime rate of Mellon Bank, N.A. from the date such fee was required to be paid.

Section 7.4. Post-Termination Obligations. In the event of termination of this Agreement, Matthews and Merger Sub shall and shall cause their Affiliates to return all documents and copies and other materials received from or on behalf of York, its Affiliates, its Subsidiaries and its agents relating to the transactions contemplated hereby, whether so obtained before or after the execution hereof, to York, and York shall and shall cause its Affiliates to return all documents and copies and other materials received from or on behalf of Matthews and Merger Sub relating to the transactions contemplated hereby, whether so obtained before or after the execution hereof, to Matthews; and all information received or accumulated by the parties hereto shall be treated as "Confidential Information" in accordance with the Confidentiality Agreement (as modified or supplemented by this Agreement) which shall remain in full force and effect, as modified or supplemented by this Agreement, notwithstanding the termination of this Agreement.

ARTICLE VIII
MISCELLANEOUS

Section 8.1. Nonsurvival of Representations, Warranties and Agreements. None of the representations, warranties, covenants and agreements in this Agreement or in any instrument delivered pursuant to this Agreement shall survive the Effective Time, except for covenants and agreements which, by their terms, are to be performed after the Effective Time. The Confidentiality Agreement shall survive the execution and delivery of this Agreement but shall terminate and be of no further force and effect as of the Effective Time.

Section 8.2. Notices. All notices and other communications hereunder shall be in writing and shall be deemed given when delivered personally, one day after being delivered to a nationally recognized overnight courier or when telecopied (with a confirmatory copy sent by such overnight courier) to the parties at the following addresses (or at such other address for a party as

shall be specified by like notice):

(a) if to York, to:

The York Group, Inc.
8554 Katy Freeway, Suite 200
Houston, Texas 77024
Attn: Legal Department
Telecopy: 713/984-5569

with copies (which shall not constitute notice) to:

Locke Liddell & Sapp LLP
Attn: David F. Taylor
3400 Chase Tower
600 Travis Street
Houston, Texas 77002
Telecopy: 713/223-3717

and

(b) if to Matthews, to:

Matthews International Corporation
Two NorthShore Center
Pittsburgh, PA 15212
Attention: Edward Boyle, CFO
Facsimile No.: 412/442-8290

with copies (which shall not constitute notice) to:

Reed Smith LLP
435 Sixth Avenue
Pittsburgh, PA 15219
Attention: Pasquale D. Gentile, Jr.
Facsimile No.: 412/288-3063

Section 8.3. Interpretation and Construction, Severability; Interpretation of Obligations.

(a) Interpretation and Construction. Matthews and York have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by Matthews and York and no presumption or burden of proof shall arise favoring or disfavoring either Matthews or York because of the authorship of any of the provisions of this Agreement. Any reference to any United States Federal, state, local or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. Unless the context of this Agreement otherwise requires, (a) words of any gender are deemed to include each other gender; (b) words using the singular or plural number also include the plural or singular number, respectively; (c) the terms "hereof," "herein," "hereby," "hereto," and derivative or similar words refer to this entire Agreement; (d) the terms "ARTICLE" or "Section" refer to the specified ARTICLE or Section of this Agreement; (e) the term "party" means, on the one hand, Matthews, on the other hand, York, (f) the word "including" means "including without limitation"; and (g) all references to "dollars" or "$" refer to currency of the United States of America. The exhibits and schedules specified in this Agreement are incorporated herein by reference and made a part hereof. The

article and section headings hereof are for convenience only and shall not affect the meaning or interpretation of this Agreement.

(b) Severability. The invalidity or unenforceability of one or more of the provisions of this Agreement in any situation in any jurisdiction shall not affect the validity or enforceability of any other provision hereof or the validity or enforceability of the offending provision in any other situation or jurisdiction.

(c) Interpretation of Obligations. Notwithstanding anything in this Agreement

to the contrary, Matthews shall not be permitted to terminate this Agreement solely because of an Order to divest any business, product line or assets, regardless of whether such action could result in a Material Adverse Effect on York, Matthews or the benefits to Matthews of the consummation of the Merger. Matthews agrees to divest such business, product line or assets, as the case may be, pursuant to such Order, or as may be required to cause the expiration of the notice periods under the HSR or other Antitrust Laws, after an opportunity to negotiate, contest or appeal any such Order or requirement; provided, however, that such right of Matthews to negotiate, contest or appeal shall not extend beyond December 20, 2001.

Section 8.4. Counterparts. This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement and shall become effective when two or more counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart.

Section 8.5. Entire Agreement; No Third Party Beneficiaries. This Agreement (including the documents and the instruments referred to herein), (a) constitute the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof, and (b) except as provided in Section 5.8 and Section 5.11 of this Agreement and this Section 8.5, are not intended to confer upon any Person other than the parties hereto any rights or remedies hereunder or thereunder.

Section 8.6. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, regardless of the laws that might otherwise govern under the applicable principles of conflicts of laws thereof.

Section 8.7. Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other parties, and any attempted assignment thereof without such consent shall be null and void. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Section 8.8 Amendment. This Agreement may be amended by the parties hereto, by action taken or authorized by their respective boards of directors, at any time before or after approval of the matters presented in connection with the Merger by the stockholders of York, but, after any such approval, no amendment shall be made which by law requires further approval by such stockholders without such further approval. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

Section 8.9 Extension; Waiver. At any time prior to the Effective Time, the parties hereto may, to the extent legally allowed, (i) extend the time for the performance of any of the obligations or other acts of the other parties hereto contained herein, (ii) waive any inaccuracies in the representations and warranties of the other parties hereto contained herein or in any document delivered hereto and (iii) waive compliance with any of the agreements or conditions of the other parties hereto contained herein. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in a written instrument signed on behalf of such party.

Section 8.10 Consent to Jurisdiction: Appointment of Agent for Service of Process. Each party hereto hereby (a) submits to the jurisdiction of any court of the State of Delaware and the Federal courts sitting in the State of Delaware with respect to such matters arising out of or relating to, this Agreement and the transactions contemplated hereby, (b) agrees that all claims with respect to such action or proceeding may be heard and determined in such Delaware state or Federal court, (c) waives the defense of an inconvenient forum in connection therewith, (d) consents to service of process upon it by mailing or delivering such service to CT Corporation System, 1209 Orange Street, Wilmington, Delaware (the "Agent") and authorizes and directs its Agent to accept such service, (e) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law, and (f) to the extent that it or its properties have or hereafter may acquire

immunity from jurisdiction of any such court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise), waives such immunity in respect of its obligations under this Agreement.

[Signature page to follow]

IN WITNESS WHEREOF, Matthews, Merger Sub and York have caused this Merger Agreement to be signed by their respective officers thereunto duly authorized as of the date first written above.

MATTHEWS INTERNATIONAL CORPORATION

By: David M. Kelly
Name: David M. Kelly
Title: President

EMPIRE MERGER CORP.

By: David M. Kelly
Name: David M. Kelly
Title: President

THE YORK GROUP, INC.

By: Thomas J. Crawford
Name: Thomas J. Crawford
Title: CEO & President

Exhibit 1.5(x)

Cost of York Stock Options and Deferred Stock Calculation

$$C = \frac{Q(\$10 + Y - P)}{1 + Q/S}$$

Given that C cannot be less than zero, nor can it exceed Q($11 - P).

This amount is the cost of settling the York Stock Options and Deferred Stock (Item "E" in Excess Cash Increment Calculation).

Y = Excess Cash Increment, excluding the per share impact of the cost of settling the York Stock Options and Deferred Stock.

Q = Shares corresponding to outstanding stock options as of October 31, 2001 which have exercise prices less than $11.00 per share and the total number of shares of deferred stock.

P = Weighted Average Exercise Price for shares corresponding to outstanding stock options which have exercise prices less than $11.00 per share, including an exercise price of zero for any shares of deferred stock.

S = Outstanding Shares as of October 31, 2001.

Exhibit 1.5(y)

The York Group, Inc.
Agreed Upon Procedures

Perform the procedures outlined below, summarizing all adjustments greater than $10,000.

I. Perform SAS 71 Review as of September 30, 2001

II. Inventory

1) Perform the following physical inventory procedures as of September 30, 2001
. Perform 50 test counts at all locations with inventory in excess of $500,000 (25 counts sheet to floor and 25 counts floor to sheet)
. Obtain a comparative analysis of inventory by location as of September 30, 2001 and October 31, 2001 and investigate variances greater than 10%.

2) Perform testing of inventory cut-off as of October 31, 2001 for each location where test counts are performed.
. Review shipping documents, invoices and general ledger entries for last five shipments of October 2001 and first five shipments of November 2001, noting that cut-off is proper based on shipping document dates.
. Review receiving documents and general ledger entries for last five receipts of October 2001 and first five receipts of November 2001, noting that general ledger cut-off is proper based on receiving document dates.

3) Perform inventory price testing on a FIFO basis for 25 items at each location where test counts are performed.
. Compare inventory pricing as of October 31, 2001 to the pricing used at December 31, 2000 and investigate differences in excess of 10%.

III. Accounts Receivable

1) Obtain reconciliation of the accounts receivable sub-ledger and general ledger as of August 31, 2001 and investigate all reconciling items in excess of $25,000.
2) Perform the following procedures on accounts receivable as of August 31, 2001
. Confirm accounts receivable balances greater than $50,000
. For all non-replies, review subsequent receipts greater than $5,000 through October 31, 2001
. For non-replies for which there are no subsequent receipts, review invoices and shipping documents for two invoices (judgmentally selected)
3) Review rollforward of accounts receivable sub-ledger from August 31, 2001 to October 31, 2001.
. Obtain a detail of billings and cash receipts from August 31, 2001 to October 31, 2001 and examine supporting documentation for 25 billings and 25 cash receipts.

IV. Accounts Payable and Accrued Liabilities

1) Obtain reconciliation between accounts payable sub-ledger and general ledger as of August 31, 2001 and investigate all reconciling items in excess of $25,000.

2) Perform a test of subsequent disbursements
. For disbursements greater than $25,000 made after August 31, 2001 through October 31, 2001, (excluding rebate payments), review check copy, related invoice and sub-ledger detail, noting that disbursements for goods or services received prior to August 31, 2001 are accrued at August 31, 2001.
. Obtain a comparative analysis of payables and accruals as of August 31, 2001 and October 31, 2001 and investigate all variances in excess of 10%.

V. Current Assets

1) Review check copy and invoice support for current asset balances as of August 31, 2001, for which the balance increased by more than $25,000 from December 31, 2000, exclusive of operations sold during 2000.
2) Obtain rollforward of current asset balances from August 31, 2001 to October 31, 2001 and review check copy and invoice support for individual current asset additions in excess of $25,000.
3) Verify amortization for applicable current asset balances in excess of $25,000 as of October 31, 2001.

VI. Perform the Following Additional Procedures as of October 31, 2001

1) Recompute the Company's calculations of "Working Capital," "Adjusted EBITDA," and "York Cash," as defined in the Merger Agreement. Recomputations will be based on the Company's reported financial results, as provided by management, subject to adjustments resulting from the above procedures.

VII. Review the components of working capital as of September 30, 2001 and investigate any changes in underlying general ledger account balances that exceed 10% and $50,000 of the corresponding balance at December 31, 2000.

EXHIBIT 99.1

MATTHEWS INTERNATIONAL CORPORATION
Corporate Office
Two NorthShore Center
Pittsburgh, PA 15212-5851
Phone: (412) 442-8200
Fax: (412) 442-8290

PRESS RELEASE

Release Date: May 23, 2001

Contact: Edward J. Boyle
Vice President-Accounting & Finance
412-442-8244

MATTHEWS INTERNATIONAL ACQUIRES THE COMMEMORATIVE PRODUCTS BUSINESS OF THE YORK GROUP

PITTSBURGH, PA, MAY 23, 2001 - Matthews International Corporation (NASDQ: MATW) today announced that it has acquired the Commemorative Products business of The York Group for $45 million cash. As part of the transaction, Matthews will acquire York's manufacturing facilities in Kingwood, West Virginia and Bryan, Texas. The acquisition is expected to be accretive to Matthews' earnings immediately.

David J. DeCarlo, President of the Bronze segment of Matthews International Corporation, commented that "Matthews is fortunate to have the opportunity to add the Commemorative Products business of The York Group to the Matthews product offerings." Mr. DeCarlo further noted that, "The York products are well respected in the industry for their quality and craftsmanship."

Matthews International Corporation, headquartered in Pittsburgh, Pennsylvania, is a leading designer, manufacturer and marketer principally of custom-made identification products. The Company's products include cast bronze memorials and other memorialization products, cremators and cremation-related products; mausoleums; printing plates, pre-press services, and imaging systems for the corrugated and flexible packaging industries; and marking equipment and consumables for identifying various consumer and industrial products and containers.

Any forward-looking statements contained in this release are included pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks and uncertainties that may cause the Company's actual results in future periods to be materially different from management's expectations. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove correct. Factors that could cause the Company's results to differ materially from the results discussed in such forward-looking statements principally include economic, competitive, and technological factors beyond the Company's control.

EXHIBIT 99.2

MATTHEWS INTERNATIONAL CORPORATION
Corporate Office
Two NorthShore Center
Pittsburgh, PA 15212-5851
Phone: (412) 442-8200
Fax: (412) 442-8290

PRESS RELEASE

- ----------

Release Date: May 23, 2001 Contact: Edward J. Boyle
Vice President-Accounting & Finance
412-442-8244

MATTHEWS INTERNATIONAL TO ACQUIRE THE YORK GROUP

PITTSBURGH, PA and HOUSTON, TX, MAY 23, 2001 - Matthews International Corporation (NASDQ: MATW) and The York Group (NASDQ: YRKG) announced today that they have signed a merger agreement whereby Matthews will acquire 100% of the outstanding common shares of The York Group for $10 cash per share. Matthews also agreed to pay up to an additional $1 cash per share based on the excess cash remaining on York's balance sheet as of October 31, 2001. Completion of this transaction, anticipated to occur in the fourth quarter of 2001, is subject to York achieving earnings before interest, taxes, depreciation and amortization ("EBITDA") from its casket operations greater than the same period of the prior year for the nine months ended September 30, 2001; approval of the merger by the shareholders of York; compliance with applicable legal and regulatory requirements; and standard closing conditions. York believes that the interim period prior to closing will permit York to increase the per share value received by shareholders in the merger through the disposition of non-casket operations and other non-operating assets. York, a leading casket manufacturer in the United States, will have annual revenues approximating $130 million following the sale of its other operating businesses.

David M. Kelly, Chairman, President and Chief Executive Officer of Matthews, commented: "One of our strategic objectives is to expand our position in the death care market. In that regard, York's strong position in the casket segment and their selection room merchandising systems present us with an exciting and positive opportunity. Additionally, York's management has done a good job in taking the necessary actions to strengthen the company and to grow profits over the long run." The acquisition is expected to be accretive to Matthews' earnings in its first year.

"We are pleased to be associated with Matthews International Corporation. Our product lines complement one another and our corporate cultures are compatible. We believe this merger is not only in the best interests of our shareholders, but also for our customers and the employees of The York Group as well," said Thomas J. Crawford, President and Chief Executive Officer of The York Group, who is expected to lead the casket operations after the acquisition.

Matthews and York will conduct a joint conference call on May 24 at 3:00 p.m. EDT to further discuss this announcement. To participate in the call, dial 612-332-0819 at least ten minutes before the conference call begins and ask for the Matthews International/York Group conference call. A replay of the call will be available at approximately 6:30 p.m. eastern time the day of the conference and will be accessible until June 1, 2001. To access the replay, dial 320-365-3844, enter the pass code 588168, and follow the provided instructions.

Matthews International Corporation, headquartered in Pittsburgh, Pennsylvania, is a leading designer, manufacturer and marketer principally of custom-made identification products. The Company's products include cast bronze memorials and other memorialization products, cremators and cremation-related products; mausoleums; printing plates, pre-press services, and imaging systems for the

corrugated and flexible packaging industries; and marking equipment and consumables for identifying various consumer and industrial products and containers.

Any forward-looking statements contained in this release are included pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks and uncertainties that may cause the Company's actual results in future periods to be materially different from management's expectations. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove correct. Factors that could cause the Company's results to differ materially from the results discussed in such forward-looking statements principally include economic, competitive, and technological factors beyond the Company's control.