

IN THE MATTER OF

PRECISION CASTPARTS CORP., ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 7 OF THE CLAYTON ACT AND SEC. 5 OF THE
FEDERAL TRADE COMMISSION ACT

Docket C-3904. Complaint, Nov. 9, 1999--Decision, Dec. 17, 1999

This consent order, among other things, requires two corporations, that develop and manufacture aerospace cast components, to divest certain assets, in the time-frame specified, to a Commission-approved acquirer.

Participants

For the Commission: *Matthew Reilly, Nicholas Koberstein, Ann Malester, Richard Parker, Jeremy Bulow, Daniel O'Brien and Curtis Wagner.*

For the respondents: *Jeffrey Brennan, Collier, Shannon, Rill & Scott, Washington, D.C. and J. Anthony Downs, Goodwin, Proctor & Hoar, Boston, MA.*

COMPLAINT

The Federal Trade Commission ("Commission"), having reason to believe that respondent Precision Castparts Corp. ("PCC"), a corporation subject to the jurisdiction of the Commission, has agreed to acquire 100 percent of the voting securities of respondent Wyman-Gordon Company ("Wyman-Gordon"), a company subject to the jurisdiction of the Commission, in violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. 18, and Section 5 of the Federal Trade Commission Act, as amended 15 U.S.C. 45, and it appearing to the Commission that a proceeding in respect thereof would be in the public interest, hereby issues its complaint, stating its charges as follows:

I. DEFINITIONS

1. "*Aerospace Investment Cast Components*" means dimensionally precise metal components manufactured using the investment casting process that are used primarily in aerospace jet engine and aerospace airframe applications.

2. "*Titanium Aerospace Investment Cast Components*" means Aerospace Investment Cast Components manufactured using titanium alloy.

3. "*Large Stainless Steel Aerospace Investment Cast Components*" means Aerospace Investment Cast Components with a diameter greater than 24 inches manufactured using stainless steel.

4. "*Large Nickel-based Superalloy Aerospace Investment Cast Components*" means Aerospace Investment Cast Components with a diameter greater than 24 inches manufactured using nickel-based superalloy.

5. "*Merger Agreement*" means the Agreement and Plan of Merger Among Precision Castparts Corp., WGC Acquisition Corp., and Wyman-Gordon Company, dated May 17, 1999.

6. "*Respondents*" means PCC and Wyman-Gordon.

II. RESPONDENTS

7. Respondent PCC is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Oregon, with its office and principal place of business located at 4650 S.W. Macadam Avenue, Suite 440, Portland, Oregon.

8. Respondent Wyman-Gordon is a corporation organized, existing, and doing business under and by virtue of the laws of the Commonwealth of Massachusetts, with its office and principal place of business located at 244 Worcester Street, Grafton, Massachusetts.

9. Respondent Wyman-Gordon, through a joint venture with Titanium Metals Corporation, and respondent PCC are engaged in, among other things, the development, manufacture, and sale of Titanium Aerospace Investment Cast Components.

10. Respondent Wyman-Gordon and respondent PCC are engaged in, among other things, the development, manufacture, and sale of Large Stainless Steel and Large Nickel-based Superalloy Aerospace Investment Cast Components.

11. Respondents are, and at all times relevant herein have been, engaged in commerce as "commerce" is defined in Section 1 of the Clayton Act, as amended, 15 U.S.C. 12, and are corporations whose businesses are in or affect commerce as "commerce" is defined in Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. 44.

III. THE ACQUISITION

12. On May 17, 1999, PCC and Wyman-Gordon entered into the Merger Agreement under which PCC is to acquire through a cash

tender offer 100 percent of the voting securities of Wyman-Gordon valued at approximately \$721 million ("Acquisition").

IV. THE RELEVANT MARKETS

13. For purposes of this complaint, the relevant lines of commerce in which to analyze the effects of the Acquisition are:

- a. The development, manufacture, and sale of Titanium Aerospace Investment Cast Components;
- b. The development, manufacture, and sale of Large Stainless Steel Aerospace Investment Cast Components; and
- c. The development, manufacture, and sale of Large Nickel-based Superalloy Aerospace Investment Cast Components.

14. For purposes of this complaint, the world is the relevant geographic area in which to analyze the effects of the Acquisition in the relevant lines of commerce.

V. STRUCTURE OF THE MARKETS

15. The market for the development, manufacture, and sale of Titanium Aerospace Investment Cast Components is highly concentrated as measured by the Herfindahl-Hirschman Index. PCC and Wyman-Gordon are two of four significant suppliers of Titanium Aerospace Investment Cast Components in the world.

16. The market for the development, manufacture, and sale of Large Stainless Steel Aerospace Investment Cast Components is highly concentrated as measured by the Herfindahl-Hirschman Index. PCC and Wyman-Gordon are two of six significant suppliers of Large Stainless Steel Aerospace Investment Cast Components in the world.

17. The market for the development, manufacture, and sale of Large Nickel-based Superalloy Aerospace Investment Cast Components is highly concentrated as measured by the Herfindahl-Hirschman Index. PCC and Wyman-Gordon are two of four significant suppliers of Large Nickel-based Superalloy Aerospace Investment Cast Components in the world.

VI. BARRIERS TO ENTRY

18. Entry into each relevant market is difficult and would not occur in a timely manner to deter or counteract the adverse competitive effects described in paragraph 19 because of the time required to acquire a manufacturing facility and the necessary

specialized equipment, to develop the necessary engineering and process technology, and to obtain the customer-required certifications and approvals that are necessary to develop, manufacture, and sell Titanium, Large Stainless Steel, and Large Nickel-based Superalloy Aerospace Investment Cast Components.

VII. EFFECTS OF THE ACQUISITION

19. The effects of the Acquisition, if consummated, may be substantially to lessen competition and to tend to create a monopoly in the relevant markets in violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. 45, in the following ways, among others:

(a) By eliminating the actual, direct, and substantial competition between PCC and Wyman-Gordon in the relevant markets for the development, manufacture, and sale of Titanium, Large Stainless Steel, and Large Nickel-based Superalloy Aerospace Investment Cast Components;

(b) By increasing the likelihood of unilateral anticompetitive effects in the relevant markets for the development, manufacture, and sale of Titanium, Large Stainless Steel, and Large Nickel-based Superalloy Aerospace Investment Cast Components;

(c) By increasing the likelihood of coordinated interaction in the relevant markets for the development, manufacture, and sale of Titanium, Large Stainless Steel, and Large Nickel-based Superalloy Aerospace Investment Cast Components;

(d) By increasing the likelihood that customers of Titanium, Large Stainless Steel, and Large Nickel-based Superalloy Aerospace Investment Cast Components would be forced to pay higher prices; and

(e) By reducing innovation in the relevant markets for the development, manufacture, and sale of Titanium, Large Stainless Steel, and Large Nickel-based Superalloy Aerospace Investment Cast Components.

VIII. VIOLATIONS CHARGED

20. The Merger Agreement described in paragraph 12 constitutes a violation of Section 5 of the FTC Act, as amended, 15 U.S.C. 45.

21. The Acquisition described in paragraph 12, if consummated, would constitute a violation of Section 7 of the Clayton Act, as

amended, 15 U.S.C. 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. 45.

ORDER TO HOLD SEPARATE

The Federal Trade Commission ("Commission") having initiated an investigation of the proposed acquisition by Respondent Precision Castparts Corp. ("PCC") of all of the outstanding shares of Respondent Wyman-Gordon Company ("Wyman-Gordon"), and Respondents having been furnished thereafter with a copy of a draft of Complaint which the Bureau of Competition presented to the Commission for its consideration and which, if issued by the Commission, would charge Respondents with violations of Section 7 of the Clayton Act, as amended, 15 U.S.C. 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. 45; and

Respondents, their attorneys, and counsel for the Commission having thereafter executed an Agreement Containing Consent Orders ("Consent Agreement"), containing an admission by Respondents of all the jurisdictional facts set forth in the aforesaid draft of Complaint, a statement that the signing of said Consent Agreement is for settlement purposes only and does not constitute an admission by Respondents that the law has been violated as alleged in such Complaint, or that the facts as alleged in such Complaint, other than jurisdictional facts, are true, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that Respondents have violated the said Acts, and that a Complaint should issue stating its charges in that respect, and having determined to accept the executed Consent Agreement and to place such Consent Agreement on the public record for a period of thirty (30) days, the Commission hereby issues its Complaint, makes the following jurisdictional findings and issues this Order to Hold Separate:

1. Respondent PCC is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Oregon, with its office and principal place of business located at 4650 S.W. Macadam Avenue, Suite 440, Portland, Oregon.

2. Respondent Wyman-Gordon is a corporation organized, existing, and doing business under and by virtue of the laws of the

Commonwealth of Massachusetts, with its office and principal place of business located at 244 Worcester Street, Grafton, Massachusetts.

3. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of Respondents, and the proceeding is in the public interest.

ORDER

I.

It is ordered, That, as used in this order, the following definitions shall apply:

A. "*PCC*" means Precision Castparts Corp., its directors, officers, employees, agents and representatives, predecessors, successors, and assigns; its subsidiaries, including Wyman-Gordon after the Acquisition, divisions, groups and affiliates controlled by PCC, and the respective directors, officers, employees, agents and representatives, successors, and assigns of each.

B. "*Wyman-Gordon*" means Wyman-Gordon Company, its directors, officers, employees, agents and representatives, predecessors, successors, and assigns; its subsidiaries, divisions, groups and affiliates controlled by Wyman-Gordon, and the respective directors, officers, employees, agents and representatives, successors, and assigns of each; "*Wyman-Gordon*" includes Wyman-Gordon Titanium Castings, LLC, the joint venture with Titanium Metals Corporation through which Wyman-Gordon conducts its Titanium Aerospace Investment Cast Components business.

C. "*Respondents*" means PCC and Wyman-Gordon, individually and collectively.

D. "*Commission*" means the Federal Trade Commission.

E. "*Doncasters*" means Doncasters plc, a corporation organized, existing, and doing business under and by virtue of the laws of the United Kingdom, with its office and principal place of business located at 28-30 Derby Road, Melbourne, Derbyshire, United Kingdom.

F. "*Acquisition*" means the proposed acquisition by PCC of all the voting securities of Wyman-Gordon.

G. "*Investment Casting*" means a method of manufacturing metal components, whereby a wax model of the metal component is dipped into a ceramic slurry which dries to form a ceramic shell. The wax is then removed using a special furnace, leaving a cavity within the ceramic shell into which molten metal is poured. Once the metal

cools, the ceramic shell is removed producing dimensionally precise metal components.

H. "*Aerospace Investment Cast Components*" means dimensionally precise metal components manufactured using the Investment Casting process that are used primarily in aerospace jet engine and aerospace airframe applications.

I. "*Titanium Aerospace Investment Cast Components*" means Aerospace Investment Cast Components manufactured using titanium alloy.

J. "*Albany Facility*" means Wyman-Gordon's Investment Casting manufacturing plant located at 150 Queen Avenue SW, Albany, Oregon, and all assets used in the production of Titanium Aerospace Investment Cast Components at the Albany Facility.

K. "*Groton Large Parts Facility*" means Wyman-Gordon's Investment Casting manufacturing plant located at 839 Poquonnock Road, Groton, Connecticut, identified by Wyman-Gordon for internal accounting purposes as Plant 08, and all assets used in the production of Aerospace Investment Cast Components at the Groton Large Parts Facility included in the Groton Divestiture Agreement, as defined in paragraph I.U. in the Decision & Order.

L. "*Groton Facility*" means Wyman-Gordon's Investment Casting manufacturing plants, referred to internally by Wyman-Gordon as Plant 08 and Plant 02, located at 839 Poquonnock Road, Groton, Connecticut, and all assets used in the production of Aerospace Investment Cast Components at the Groton Facility.

M. "*Albany Facility Assets*" means all assets, properties, businesses and goodwill, tangible and intangible, of Wyman-Gordon used in the development, manufacture and sale of Titanium Aerospace Investment Cast Components at the Albany Facility, including, without limitation, the following:

1. All owned or leased real property and improvements, buildings, plants, manufacturing operations, machinery, fixtures, equipment, furniture, tools and other tangible personal property located in Wyman-Gordon's Albany Facility;

2. All intellectual property, inventions, technology, trademarks, trade names, trade secrets, copyrights, Manufacturing Know-How, as defined in Paragraph I.L. of the Decision & Order, research material, technical information, management information systems, software specifications, designs, drawings, processes and quality control data;

provided, however, that this does not include any rights in the name "Wyman-Gordon";

3. All customer lists, vendor lists, catalogs, sales promotion literature and advertising materials; inventory and storage capacity; rights, titles and interests in and to owned or leased real property, together with appurtenances, licenses and permits;

4. All rights, titles and interests in and to contracts relating to the development, manufacture and sale of any Titanium Aerospace Investment Cast Component; all rights, titles and interests in and to the contracts entered into in the ordinary course of business with customers (together with associated bid and performance bonds), suppliers, sales representatives, distributors, agents, personal property lessors, personal property lessees, licensors, licensees, consignors, consignees;

5. All rights under warranties and guarantees, express or implied;

6. All books, records and files, and all items of prepaid expense; and

7. All Sales and Service Operations.

N. "*Groton Large Parts Facility Assets*" means all assets, properties, businesses and goodwill, tangible and intangible, of Wyman-Gordon used in the development, manufacture and sale of Aerospace Investment Cast Components at the Groton Large Parts Facility, including, without limitation, the following:

1. All owned or leased real property and improvements, buildings, plants, manufacturing operations, machinery, fixtures, equipment, furniture, tools and other tangible personal property located in Wyman-Gordon's Groton Large Parts Facility;

2. All intellectual property, inventions, technology, trademarks, trade names, trade secrets, copyrights, Manufacturing Know-How, research material, technical information, management information systems, software specifications, designs, drawings, processes and quality control data; provided, however, that this does not include any rights in the name "Wyman-Gordon";

3. All customer lists, vendor lists, catalogs, sales promotion literature and advertising materials; inventory and storage capacity; rights, titles and interests in and to owned or leased real property, together with appurtenances, licenses and permits;

4. All rights, titles and interests in and to contracts relating to the development, manufacture and sale of any Aerospace Investment Cast Component; all rights, titles and interests in and to the contracts entered into in the ordinary course of business with customers (together with associated bid and performance bonds), suppliers, sales representatives, distributors, agents, personal property lessors, personal property lessees, licensors, licensees, consignors, consignees;

5. All rights under warranties and guarantees, express or implied;

6. All books, records and files, and all items of prepaid expense;
and

7. All Sales and Service Operations.

O. "*Groton Facility Assets*" means all assets, properties, businesses and goodwill, tangible and intangible, used in the development, manufacture and sale of Aerospace Investment Cast Components at the Groton Facility, including, without limitation, the following:

1. All owned or leased real property and improvements, buildings, plants, manufacturing operations, machinery, fixtures, equipment, furniture, tools and other tangible personal property located in Wyman-Gordon's Groton Facility;

2. All intellectual property, inventions, technology, trademarks, trade names, trade secrets, copyrights, Manufacturing Know-How, research material, technical information, management information systems, software specifications, designs, drawings, processes and quality control data; provided, however, that this does not include any rights in the name "Wyman-Gordon";

3. All customer lists, vendor lists, catalogs, sales promotion literature and advertising materials; inventory and storage capacity; rights, titles and interests in and to owned or leased real property, together with appurtenances, licenses and permits;

4. All rights, titles and interests in and to contracts relating to the development, manufacture and sale of any Aerospace Investment Cast Component; all rights, titles and interests in and to the contracts entered into in the ordinary course of business with customers (together with associated bid and performance bonds), suppliers, sales representatives, distributors, agents, personal property lessors, personal property lessees, licensors, licensees, consignors, consignees;

5. All rights under warranties and guarantees, express or implied;

6. All books, records and files, and all items of prepaid expense;
and

702

Order to Hold Separate

7. All Sales and Service Operations.

P. "*Sales and Service Operations*" means all of Wyman-Gordon's assets, properties, business and goodwill, tangible and intangible, used in the sale or service of Wyman-Gordon's Aerospace Investment Cast Components business at either the Albany Facility, the Groton Large Parts Facility, or the Groton Facility, as applicable.

Q. "*Material Confidential Information*" means competitively sensitive or proprietary information not independently known to an entity from sources other than the entity to which the information pertains, and includes, but is not limited to, all customer lists, price lists, marketing methods, patents, technologies, processes, Manufacturing Know-How, or other trade secrets.

R. "*Key Employees*" means the employees listed in Appendix A to the Decision & Order.

II.

It is further ordered, That:

A. Respondents shall hold the Albany Facility Assets as a separate and independent business, except to the extent that Respondents must exercise direction and control over the Albany Facility Assets to assure compliance with this Order to Hold Separate, or with the Consent Agreement, and except as otherwise provided in this Order to Hold Separate, and shall vest the Albany Facility with all powers and authorities necessary to conduct its business. The purpose of this Order is to: (i) preserve the Albany Facility as a viable, competitive, and ongoing Titanium Aerospace Investment Cast Components business, independent of Respondents, until divestiture is achieved; (ii) assure that no Material Confidential Information is exchanged between Respondents and the Albany Facility; and (iii) prevent interim harm to competition pending divestiture and other relief.

B. Respondents shall hold the Albany Facility Assets separate and independent on the following terms and conditions:

1. The Commission at any time may appoint an Independent Auditor to monitor Respondents' compliance with Paragraph II. of this Order to Hold Separate, and Respondents shall give the Independent Auditor, if one is appointed, all powers and authority necessary to effectuate his/her responsibilities pursuant to this Order to Hold Separate.

2. If an Independent Auditor is appointed by the Commission for the Albany Facility Assets, Respondents shall consent to the following procedures:

a. The Commission shall select the Independent Auditor, subject to the consent of Respondents, which consent shall not be unreasonably withheld. The Independent Auditor shall be a person with experience necessary to perform his or her duties. If Respondents have not opposed, in writing, including the reasons for opposing, the selection of any proposed Independent Auditor within ten (10) days after notice by the staff of the Commission to Respondents of the identity of any proposed Independent Auditor, Respondents shall be deemed to have consented to the selection of the proposed Independent Auditor.

b. Within ten (10) days after appointment of the Independent Auditor, Respondents shall execute an Independent Auditor agreement that, subject to the prior approval of the Commission, transfers to the Independent Auditor all rights and powers necessary to permit the Independent Auditor to perform his or her duties.

c. The Independent Auditor shall have full and complete access to all personnel, books, records, documents and facilities of Respondents or to any other relevant information relating to the Albany Facility Assets, as the Independent Auditor may reasonably request, including but not limited to all documents and records kept in the normal course of business that relate to the Albany Facility Assets. Respondents shall develop such financial or other information as the Independent Auditor may reasonably request and shall cooperate with the Independent Auditor. Respondents shall take no action to interfere with or impede the Independent Auditor's ability to perform his/her responsibilities consistent with the terms of this Order to Hold Separate or to monitor Respondents' compliance with this Order to Hold Separate.

d. The Independent Auditor shall have the authority to employ, at the cost and expense of Respondents, such consultants, accountants, attorneys, and other representatives and assistants as are reasonable and necessary to carry out the Independent Auditor's duties and responsibilities. The Independent Auditor shall account for all expenses incurred, including fees for his/her services, subject to the approval of the Commission.

e. Respondents may require the Independent Auditor to sign a confidentiality agreement prohibiting the disclosure of any Material

Confidential Information gained as a result of his or her role as Independent Auditor to anyone other than the Commission.

3. Respondents shall appoint, subject to the approval of the Independent Auditor, three (3) individuals from among the current employees of Wyman-Gordon working in the management, sales, marketing, or financial operations of the Titanium Aerospace Investment Cast Components business at the Albany Facility to manage and maintain the Albany Facility Assets. The Management Team, in its capacity as such, shall report directly and exclusively to the Independent Auditor, and shall manage the Albany Facility Assets independently of the management of Respondents. The Management Team shall not be involved in any way in the operations of the businesses of Respondents, other than the Titanium Aerospace Investment Cast Components business at the Albany Facility, during the hold separate period.

4. Respondents shall not change the composition of the management of the Albany Facility, except that the Management Team shall be permitted to remove management employees for cause subject to approval of the Independent Auditor. The Independent Auditor shall have the power to remove members of the Management Team for cause and to require Respondents to appoint replacement members to the Management Team in the same manner as provided in subparagraph II.B.3. of this Order to Hold Separate.

5. The Independent Auditor shall have responsibility, through the Management Team, for managing the Albany Facility Assets consistent with the terms of this Order to Hold Separate; for maintaining the independence of the Albany Facility Assets consistent with the terms of this Order to Hold Separate and the Consent Agreement; and for assuring Respondents' compliance with their obligations pursuant to this Order to Hold Separate.

6. The Albany Facility shall be staffed with sufficient employees to maintain the viability and competitiveness of that facility. Employees of the Albany Facility shall include: (i) all personnel employed by the Albany Facility as of the date the Commission accepts the Consent Agreement for public comment; and (ii) those persons hired from other sources. The Management Team, with the approval of the Independent Auditor, shall have the authority to replace employees who have otherwise left their positions with the Albany Facility since January 1, 1999. To the extent that employees

of the Albany Facility leave the Albany Facility prior to the divestiture of the Albany Facility Assets, the Management Team, with the approval of the Independent Auditor, may replace the departing employees of the Albany Facility with persons who have similar experience and expertise.

7. Respondents shall cause the Independent Auditor, each member of the Management Team, and each employee of the Albany Facility to submit to the Commission a signed statement that the individual will maintain the confidentiality required by the terms and conditions of this Order to Hold Separate. These individuals must retain and maintain all Material Confidential Information relating to the held separate business on a confidential basis and, except as is permitted by this Order to Hold Separate, such persons shall be prohibited from providing, discussing, exchanging, circulating, or otherwise furnishing any such information to or with any other person whose employment involves any of Respondents' businesses other than the Albany Facility business. These persons shall not be involved in any way in the management, sales, marketing, and financial operations of the competing products of Respondents.

8. Respondents shall establish written procedures to be approved by the Independent Auditor covering the management, maintenance, and independence of the Albany Facility Assets consistent with the provisions of this Order to Hold Separate.

9. Respondents shall circulate to employees of the Albany Facility and to Respondents' employees who are responsible for the operation or marketing of Titanium Aerospace Investment Cast Components in the United States, a notice of this Order to Hold Separate and Consent Agreement, in the form attached as Attachment A.

10. The Independent Auditor, if one is appointed, and the Management Team shall serve, without bond or other security, at the cost and expense of Respondents, on reasonable and customary terms commensurate with the person's experience and responsibilities. Respondents shall indemnify the Independent Auditor and the Management Team, and hold the Independent Auditor and the Management Team harmless against any losses, claims, damages, liabilities, or expenses arising out of, or in connection with, the performance of the Independent Auditor's or the Management Team's duties, including all reasonable fees of counsel and other expenses incurred in connection with the preparation for or defense of any claim, whether or not resulting in any liability, except to the extent

that such losses, claims, damages, liabilities, or expenses result from misfeasance, gross negligence, willful or wanton acts, or bad faith by the Independent Auditor or the Management Team.

11. Respondents shall provide the Albany Facility with sufficient working capital to operate the Albany Facility at least at current rates of operation, to meet all capital calls with respect to the Albany Facility and to carry on, at least at their scheduled pace, all capital projects for the Albany Facility that are ongoing or approved as of January 1, 1999. In addition, Respondents shall continue, at least at their scheduled pace, any additional expenditures for the Albany Facility authorized prior to the date this Order to Hold Separate is signed by Respondents. During the period this Order to Hold Separate is effective, Respondents shall make available for use by the Albany Facility funds sufficient to perform all necessary routine maintenance to, and replacements of, assets of the Albany Facility. Respondents shall provide the Albany Facility with such funds as are necessary to maintain the viability, competitiveness, and marketability of the Albany Facility Assets until the date the divestiture is completed, provided the Albany Facility may not assume any new long-term debt except as necessary to meet a competitive threat and as approved by the Independent Auditor.

12. Respondents shall continue to provide the same support services to the Albany Facility Assets as are being provided to such assets by Wyman-Gordon as of the date this Order to Hold Separate is signed by Respondents. Respondents may charge the Albany Facility the same fees, if any, charged by Respondents for such support services as of the date this Order to Hold Separate is signed by Respondents. Respondents' personnel providing such support services must retain and maintain all Material Confidential Information of the Albany Facility Assets on a confidential basis, and, except as is permitted by this Order to Hold Separate, such persons shall be prohibited from providing, discussing, exchanging, circulating, or otherwise furnishing any such information to or with any person whose employment involves any of Respondents' businesses, other than the Titanium Aerospace Investment Cast Components business at the Albany Facility. Such personnel shall also execute confidentiality agreements prohibiting the disclosure of any Material Confidential Information of the Albany Facility Assets.

13. Except as provided in this Order to Hold Separate, Respondents shall not employ or make offers of employment to

employees of the Albany Facility during the hold separate period. The acquirer of the Albany Facility Assets shall have the option of offering employment to the Albany Facility employees. After the hold separate period, Respondents may offer employment to Albany Facility employees who have not been offered employment or have been terminated by the acquirer of the Albany Facility Assets. Respondents shall not interfere with the employment of employees of the Albany Facility by the acquirer of the Albany Facility Assets; shall not offer any incentive to said employees to decline employment with the acquirer of the Albany Facility Assets or accept other employment with Respondents; and shall remove any impediments that may deter employees of the Albany Facility from accepting employment with the acquirer of the Albany Facility Assets including, but not limited to, any non-compete or confidentiality provisions of employment or other contracts with the Albany Facility that would affect the ability of employees of the Albany Facility to be employed by the acquirer of the Albany Facility Assets.

14. For a period of one (1) year commencing on the date the Albany Facility Assets are divested, Respondents shall not employ or make offers of employment to any Key Employee of the Albany Facility who has been offered employment with the acquirer of the Albany Facility Assets unless such individual has been terminated by the acquirer of the Albany Facility Assets.

15. Notwithstanding subparagraph II.B.14., Respondents may offer a bonus or severance to those Key Employees of the Albany Facility that continue their employment with the Albany Facility until the date that the Albany Facility Assets are divested.

16. Respondents shall not exercise direction or control over, or influence directly or indirectly, the Albany Facility Assets, the Independent Auditor, the Management Team, or any of its operations; provided, however, that Respondents may exercise only such direction and control over the Albany Facility Assets as are necessary to assure compliance with this Order to Hold Separate or the Consent Agreement, or with all applicable laws.

17. Except for the Management Team and except to the extent provided in subparagraphs II.B.12. and II.B.16., Respondents shall not permit any non-Albany Facility employees, officers, or directors to be involved in the operations of the Albany Facility Assets.

18. Respondents shall maintain the viability, competitiveness, and marketability of the Albany Facility Assets; shall not sell, transfer, or

encumber any of the Albany Facility Assets (other than in the normal course of business); and shall not cause or permit the destruction, removal, wasting, or deterioration, or otherwise impair the viability, competitiveness, or marketability of the Albany Facility Assets.

19. If the Independent Auditor ceases to act or fails to act diligently and consistent with the purposes of this Order to Hold Separate, the Commission may appoint a substitute Independent Auditor in the same manner as provided in Paragraph II.B.1. of this Order to Hold Separate.

20. Until the divestiture of the Albany Facility Assets is accomplished, Respondents shall ensure that Albany Facility employees continue to be paid their salaries, all accrued bonuses, pensions and other accrued benefits to which such employees would otherwise have been entitled had they remained in the employment of Wyman-Gordon during the hold separate period.

21. Except as required by law, and except to the extent that necessary information is exchanged in the course of consummating the Acquisition, defending investigations, defending or prosecuting litigation, obtaining legal advice, negotiating agreements to divest assets pursuant to the Consent Agreement, or complying with this Order to Hold Separate or the Consent Agreement, Respondents shall not receive or have access to, or use or continue to use, any Material Confidential Information, not in the public domain, about the Albany Facility Assets. Respondents may receive, on a regular basis, aggregate financial information relating to the Albany Facility necessary to allow Respondents to prepare United States consolidated financial reports and tax returns. Any such information that is obtained pursuant to this subparagraph shall be used only for the purposes set forth in this subparagraph.

22. Within thirty (30) days after the date Respondents sign the Consent Agreement and every thirty (30) days thereafter until the Order to Hold Separate terminates, the Independent Auditor or the Management Team shall report in writing to the Commission concerning the efforts to accomplish the purposes of this Order to Hold Separate. Included within that report shall be the Independent Auditor's or the Management Team's assessment of the extent to which the Albany Facility is meeting (or exceeding) its projected goals as are reflected in operating plans, budgets, projections or any other regularly prepared financial statements.

Order to Hold Separate

128 F.T.C.

III.

It is further ordered, That until the date the Commission issues the Decision & Order, Respondents shall take such actions as are necessary to maintain the viability and marketability of the Groton Facility Assets, and to prevent the destruction, removal, wasting, deterioration, or impairment of any of the Groton Facility Assets except for ordinary wear and tear.

IV.

It is further ordered, That:

A. If the Groton Large Parts Facility Assets are not divested to Doncasters pursuant to Paragraph IV.A.1. of the Decision & Order, or if the Commission orders rescission of the Groton Divestiture Agreement with Doncasters pursuant to Paragraph 12 of the Consent Agreement, Respondents shall hold the Groton Facility Assets as a separate and independent business, except to the extent that Respondents must exercise direction and control over the Groton Facility Assets to assure compliance with this Order to Hold Separate, or with the Consent Agreement, and except as otherwise provided in this Order to Hold Separate, and shall vest the Groton Facility with all powers and authorities necessary to conduct its business. The purpose of this Order is to: (i) preserve the Groton Facility as a viable, competitive, and ongoing Aerospace Investment Cast Components business, independent of Respondents, until divestiture is achieved; (ii) assure that no Material Confidential Information is exchanged between Respondents and the Groton Facility; and (iii) prevent interim harm to competition pending divestiture and other relief.

B. Respondents shall hold the Groton Facility Assets separate and independent on the following terms and conditions:

1. The Commission at any time may appoint an Independent Auditor to monitor Respondents' compliance with Paragraph IV. of this Order to Hold Separate, and Respondents shall give the Independent Auditor, if one is appointed, all powers and authority necessary to effectuate his/her responsibilities pursuant to this Order to Hold Separate. The Independent Auditor for the Groton Facility may be the same person as the Independent Auditor appointed by the

702

Order to Hold Separate

Commission for the Albany Facility Assets pursuant to Paragraph II.B.1. of this Order to Hold Separate.

2. If an Independent Auditor is appointed by the Commission for the Groton Facility Assets, Respondents shall consent to the following procedures:

a. The Commission shall select the Independent Auditor, subject to the consent of Respondents, which consent shall not be unreasonably withheld. The Independent Auditor shall be a person with experience necessary to perform his or her duties. If Respondents have not opposed, in writing, including the reasons for opposing, the selection of any proposed Independent Auditor within ten (10) days after notice by the staff of the Commission to Respondents of the identity of any proposed Independent Auditor, Respondents shall be deemed to have consented to the selection of the proposed Independent Auditor.

b. Within ten (10) days after appointment of the Independent Auditor, Respondents shall execute an Independent Auditor agreement that, subject to the prior approval of the Commission, transfers to the Independent Auditor all rights and powers necessary to permit the Independent Auditor to perform his or her duties.

c. The Independent Auditor shall have full and complete access to all personnel, books, records, documents and facilities of Respondents or to any other relevant information relating to the Groton Facility Assets, as the Independent Auditor may reasonably request, including but not limited to all documents and records kept in the normal course of business that relate to the Groton Facility Assets. Respondents shall develop such financial or other information as the Independent Auditor may reasonably request and shall cooperate with the Independent Auditor. Respondents shall take no action to interfere with or impede the Independent Auditor's ability to perform his/her responsibilities consistent with the terms of this Order to Hold Separate or to monitor Respondents' compliance with this Order to Hold Separate.

d. The Independent Auditor shall have the authority to employ, at the cost and expense of Respondents, such consultants, accountants, attorneys, and other representatives and assistants as are reasonable and necessary to carry out the Independent Auditor's duties and responsibilities. The Independent Auditor shall account for all

expenses incurred, including fees for his/her services, subject to the approval of the Commission.

e. Respondents may require the Independent Auditor to sign a confidentiality agreement prohibiting the disclosure of any Material Confidential Information gained as a result of his or her role as Independent Auditor to anyone other than the Commission.

3. Respondents shall appoint, subject to the approval of the Independent Auditor, three (3) individuals from among the current employees of Wyman-Gordon working in the management, sales, marketing, or financial operations of the Aerospace Investment Cast Components business at the Groton Facility, to manage and maintain the Groton Facility Assets. This additional Management Team, in its capacity as such, shall report directly and exclusively to the Independent Auditor, and shall manage the Groton Facility Assets independently of the management of Respondents. The Groton Management Team shall not be involved in any way in the operations of the businesses of Respondents, other than the Aerospace Investment Cast Components business at the Groton Facility, during the hold separate period.

4. Respondents shall not change the composition of the management of the Groton Facility, except that the Management Team shall be permitted to remove management employees for cause subject to the approval of the Independent Auditor. The Independent Auditor shall have the power to remove members of the Management Team for cause and to require Respondents to appoint replacement members to the Management Team in the same manner as provided in subparagraph IV.B.3. of this Order to Hold Separate.

5. The Independent Auditor shall have responsibility, through the Management Team, for managing the Groton Facility Assets consistent with the terms of this Order to Hold Separate; for maintaining the independence of the Groton Facility Assets consistent with the terms of this Order to Hold Separate and the Consent Agreement; and for assuring Respondents' compliance with their obligations pursuant to this Order to Hold Separate.

6. The Groton Facility shall be staffed with sufficient employees to maintain the viability and competitiveness of that facility. Employees of the Groton Facility shall include: (i) all personnel employed by the Groton Facility as of the date the Commission accepts the Consent Agreement for public comment; and (ii) those

persons hired from other sources. The Management Team, with the approval of the Independent Auditor, shall have the authority to replace employees who have otherwise left their positions with the Groton Facility since January 1, 1999. To the extent that employees of the Groton Facility leave the Groton Facility prior to the divestiture of the Groton Facility Assets, the Management Team, with the approval of the Independent Auditor, may replace the departing employees of the Groton Facility with persons who have similar experience and expertise.

7. Respondents shall cause the Independent Auditor, each member of the Management Team, and each employee of the Groton Facility to submit to the Commission a signed statement that the individual will maintain the confidentiality required by the terms and conditions of this Order to Hold Separate. These individuals must retain and maintain all Material Confidential Information relating to the held separate business on a confidential basis and, except as is permitted by this Order to Hold Separate, such persons shall be prohibited from providing, discussing, exchanging, circulating, or otherwise furnishing any such information to or with any other person whose employment involves any of Respondents' businesses other than the Groton Facility business. These persons shall not be involved in any way in the management, sales, marketing, and financial operations of the competing products of Respondents.

8. Respondents shall establish written procedures to be approved by the Independent Auditor covering the management, maintenance, and independence of the Groton Facility Assets consistent with the provisions of this Order to Hold Separate.

9. Respondents shall circulate to employees of the Groton Facility and to Respondents' employees who are responsible for the operation or marketing of Aerospace Investment Cast Components in the United States, a notice of this Order to Hold Separate and Consent Agreement, in the form attached as Attachment B.

10. The Independent Auditor, if one is appointed, and the Management Team shall serve, without bond or other security, at the cost and expense of Respondents, on reasonable and customary terms commensurate with the person's experience and responsibilities. Respondents shall indemnify the Independent Auditor and the Management Team, and hold the Independent Auditor and the Management Team harmless against any losses, claims, damages,

liabilities, or expenses arising out of, or in connection with, the performance of the Independent Auditor's or the Management Team's duties, including all reasonable fees of counsel and other expenses incurred in connection with the preparation for or defense of any claim, whether or not resulting in any liability, except to the extent that such losses, claims, damages, liabilities or expenses result from misfeasance, gross negligence, willful or wanton acts, or bad faith by the Independent Auditor or the Management Team.

11. Respondents shall provide the Groton Facility with sufficient working capital to operate the Groton Facility, at least at current rates of operation, to meet all capital calls with respect to the Groton Facility and to carry on, at least at their scheduled pace, all capital projects for the Groton Facility that are ongoing or approved as of January 1, 1999. In addition, Respondents shall continue, at least at their scheduled pace, any additional expenditures for the Groton Facility authorized prior to the date this Order to Hold Separate is signed by Respondents. During the period this Order to Hold Separate is effective, Respondents shall make available for use by the Groton Facility funds sufficient to perform all necessary routine maintenance to, and replacements of, assets of the Groton Facility. Respondents shall provide the Groton Facility with such funds as are necessary to maintain the viability, competitiveness, and marketability of the Groton Facility Assets until the date the divestiture is completed, provided the Groton Facility may not assume any new long-term debt except as necessary to meet a competitive threat and as approved by the Independent Auditor.

12. Respondents shall continue to provide the same support services to the Groton Facility Assets as are being provided to such assets by Wyman-Gordon as of the date this Order to Hold Separate is signed by Respondents. Respondents may charge the Groton Facility the same fees, if any, charged by Respondents for such support services as of the date this Order to Hold Separate is signed by Respondents. Respondents' personnel providing such support services must retain and maintain all Material Confidential Information of the Groton Facility Assets on a confidential basis, and, except as is permitted by this Order to Hold Separate, such persons shall be prohibited from providing, discussing, exchanging, circulating, or otherwise furnishing any such information to or with any person whose employment involves any of Respondents' businesses. Such personnel shall also execute confidentiality

agreements prohibiting the disclosure of any Material Confidential Information of the Groton Facility Assets.

13. Except as provided in this Order to Hold Separate, Respondents shall not employ or make offers of employment to employees of the Groton Facility during the hold separate period. The acquirer of the Groton Facility Assets shall have the option of offering employment to Groton Facility employees. After the hold separate period, Respondents may offer employment to Groton Facility employees who have not been offered employment or have been terminated by the acquirer of the Groton Facility Assets. Respondents shall not interfere with the employment of employees of the Groton Facility by the acquirer of the Groton Facility Assets; shall not offer any incentive to said employees to decline employment with the acquirer of the Groton Facility Assets or accept other employment with Respondents; and shall remove any impediments that may deter employees of the Groton Facility from accepting employment with the acquirer of the Groton Facility Assets including, but not limited to, any non-compete or confidentiality provisions of employment or other contracts with the Groton Facility that would affect the ability of employees of the Groton Facility to be employed by the acquirer of the Groton Facility Assets.

14. For a period of one (1) year commencing on the date the Groton Facility Assets are divested, Respondents shall not employ or make offers of employment to any Key Employee of the Groton Facility who has been offered employment with the acquirer of the Groton Facility Assets unless such individual has been terminated by the acquirer of the Groton Facility Assets.

15. Notwithstanding subparagraph IV.B.14., Respondents may offer a bonus or severance to those Key Employees of the Groton Facility that continue their employment with the Groton Facility until the date that the Groton Facility Assets are divested.

16. Respondents shall not exercise direction or control over, or influence directly or indirectly, the Groton Facility Assets, the Independent Auditor, the Management Team, or any of its operations; provided, however, that Respondents may exercise only such direction and control over the Groton Facility Assets as are necessary to assure compliance with this Order to Hold Separate or the Consent Agreement, or with all applicable laws.

17. Except for the Management Team and except to the extent provided in subparagraphs IV.B.12. and IV.B.16., Respondents shall not permit any non-Groton Facility employees, officers, or directors to be involved in the operations of the Groton Facility Assets.

18. Respondents shall maintain the viability, competitiveness, and marketability of the Groton Facility Assets; shall not sell, transfer, or encumber any of the Groton Facility Assets (other than in the normal course of business); and shall not cause or permit the destruction, removal, wasting, or deterioration, or otherwise impair the viability, competitiveness, or marketability of the Groton Facility Assets.

19. If the Independent Auditor ceases to act or fails to act diligently and consistent with the purposes of this Order to Hold Separate, the Commission may appoint a substitute Independent Auditor in the same manner as provided in Paragraph IV.B.1. of this Order to Hold Separate.

20. Until the divestiture of the Groton Facility Assets is accomplished, Respondents shall ensure that Groton Facility employees continue to be paid their salaries, all accrued bonuses, pensions and other accrued benefits to which such employees would otherwise have been entitled had they remained in the employment of Wyman-Gordon during the hold separate period.

21. Except as required by law, and except to the extent that necessary information is exchanged in the course of consummating the Acquisition, defending investigations, defending or prosecuting litigation, obtaining legal advice, negotiating agreements to divest assets pursuant to the Consent Agreement, or complying with this Order to Hold Separate or the Consent Agreement, Respondents shall not receive or have access to, or use or continue to use, any Material Confidential Information, not in the public domain, about the Groton Facility Assets. Respondents may receive, on a regular basis, aggregate financial information relating to the Groton Facility necessary to allow Respondents to prepare United States consolidated financial reports and tax returns. Any such information that is obtained pursuant to this subparagraph shall be used only for the purposes set forth in this subparagraph.

22. Within thirty (30) days after the date Respondents sign the Consent Agreement and every thirty (30) days thereafter until the Order to Hold Separate terminates, the Independent Auditor or the Management Team shall report in writing to the Commission concerning the efforts to accomplish the purposes of this Order to

Hold Separate. Included within that report shall be the Independent Auditor's or the Management Team's assessment of the extent to which the Groton Facility, if applicable, is meeting (or exceeding) its projected goals as are reflected in operating plans, budgets, projections or any other regularly prepared financial statements.

V.

It is further ordered, That Respondents shall notify the Commission at least thirty (30) days prior to any proposed change in the corporate Respondents such as dissolution, assignment, sale resulting in the emergence of a successor corporation, or the creation or dissolution of subsidiaries or any other change in the corporation that may affect compliance obligations arising out of this Order to Hold Separate.

VI.

It is further ordered, That for the purposes of determining or securing compliance with this Order to Hold Separate, and subject to any legally recognized privilege, and upon written request with reasonable notice to Respondents made to their principal United States offices, Respondents shall permit any duly authorized representatives of the Commission:

A. Access, during office hours of Respondents and in the presence of counsel, to all facilities, and access to inspect and copy all books, ledgers, accounts, correspondence, memoranda, and all other records and documents in the possession or under the control of Respondents relating to compliance with this Order to Hold Separate; and

B. Upon five (5) days' notice to Respondents and without restraint or interference from Respondents, to interview officers, directors, or employees of Respondents, who may have counsel present, regarding such matters.

VII.

It is further ordered, That this Order to Hold Separate shall terminate on the earlier of:

A. Three (3) business days after the Commission withdraws its acceptance of the Consent Agreement pursuant to the provisions of Commission Rule 2.34, 16 CFR 2.34; or

B. Three (3) business days after the divestiture of the Albany Facility Assets, or three (3) business days after the divestiture of the Groton Facility Assets (provided the Groton Large Parts Facility Assets have not been divested to Doncasters pursuant to Paragraph IV.A.1 of the Decision & Order), whichever is later.

ATTACHMENT A

NOTICE OF DIVESTITURE AND REQUIREMENT FOR CONFIDENTIALITY

Precision Castparts Corp. ("PCC") and Wyman-Gordon Company ("Wyman-Gordon"), hereinafter referred to as "Respondents," have entered into an Agreement Containing Consent Orders ("Consent Agreement") with the Federal Trade Commission relating to the divestiture of certain assets.

As used herein, the term "Albany Facility," as defined in Paragraph I.M. of the Federal Trade Commission's Decision & Order, means Wyman-Gordon's Titanium Aerospace Investment Cast Components manufacturing facility.

As used herein, the term "Albany Facility Assets," as defined in Paragraph I.P. of the Decision & Order, means the Wyman-Gordon assets located at the Albany Facility that are used to develop, manufacture and sell Titanium Aerospace Investment Cast Components. Under the terms of the Consent Agreement, Respondents must divest the Albany Facility Assets within six (6) months from the date they sign the Consent Agreement.

The term "Acquisition" means the acquisition of 100% of the voting securities of Wyman-Gordon by PCC.

The Albany Facility Assets must be managed and maintained as a separate, ongoing business, independent of all other businesses of the Respondents until such assets are divested. All competitive information relating to the Albany Facility Assets must be retained and maintained by the persons involved in the operation of those assets on a confidential basis, and such persons shall be prohibited from providing, discussing, exchanging, circulating, or otherwise furnishing any such information to or with any other person whose employment involves any other business of the Respondents. Similarly, persons involved in similar activities at Wyman-Gordon or PCC shall be prohibited from providing, discussing, exchanging, circulating, or otherwise furnishing any similar information to or with any other person whose employment involves the Albany Facility Assets.

Any violation of the Consent Agreement may subject Respondents to civil penalties and other relief as provided by law.

ATTACHMENT B

NOTICE OF DIVESTITURE AND REQUIREMENT FOR CONFIDENTIALITY

Precision Castparts Corp. ("PCC") and Wyman-Gordon Company ("Wyman-Gordon"), hereinafter referred to as "Respondents," have entered into an Agreement Containing Consent Orders ("Consent Agreement") with the Federal Trade Commission relating to the divestiture of certain assets.

As used herein, the term "Groton Facility," as defined in Paragraph I.O. of the Federal Trade Commission's Decision & Order, means Wyman-Gordon's Aerospace Investment Cast Components manufacturing facility.

As used herein, the term "Groton Facility Assets," as defined in Paragraph I.R. of the Decision & Order, means the Wyman-Gordon assets located at the Groton Facility that are used to develop, manufacture and sell Aerospace Investment Cast Components. Under the terms of the Consent Agreement, if Respondents fail to divest the Groton Large Parts Facility Assets, as defined in Paragraph I.Q. of the Decision & Order, to Doncasters pursuant to Paragraph IV.A.1. of the Decision & Order, Respondents must divest the Groton Facility Assets within six (6) months from the date they sign the Consent Agreement.

The term "Acquisition" means the acquisition of 100% of the voting securities of Wyman-Gordon by PCC.

The Groton Facility Assets must be managed and maintained as a separate, ongoing business, independent of all other businesses of the Respondents until such assets are divested. All competitive information relating to the Groton Facility Assets must be retained and maintained by the persons involved in the operation of those assets on a confidential basis, and such persons shall be prohibited from providing, discussing, exchanging, circulating, or otherwise furnishing any such information to or with any other person whose employment involves any other business of the Respondents. Similarly, persons involved in similar activities at Wyman-Gordon or PCC shall be prohibited from providing, discussing, exchanging, circulating, or otherwise furnishing any similar information to or with any other person whose employment involves the Groton Facility Assets.

Any violation of the Consent Agreement may subject Respondents to civil penalties and other relief as provided by law.

DECISION AND ORDER

The Federal Trade Commission ("Commission") having initiated an investigation of the proposed acquisition by Respondent Precision Castparts Corp. ("PCC") of all of the outstanding shares of Respondent Wyman-Gordon Company ("Wyman-Gordon"), and Respondents having been furnished thereafter with a copy of a draft of Complaint which the Bureau of Competition presented to the Commission for its consideration and which, if issued by the Commission, would charge Respondents with violations of Section 7 of the Clayton Act, as amended, 15 U.S.C. 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. 45; and

Respondents, their attorneys, and counsel for the Commission having thereafter executed an Agreement Containing Consent Orders ("Consent Agreement"), containing an admission by Respondents of all the jurisdictional facts set forth in the aforesaid draft of Complaint, a statement that the signing of said Consent Agreement is for settlement purposes only and does not constitute an admission by Respondents that the law has been violated as alleged in such Complaint, or that the facts as alleged in such Complaint, other than jurisdictional facts, are true, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that Respondents have violated the said Acts, and that a Complaint should issue stating its charges in that respect, and having thereupon issued its Complaint and an Order to Hold Separate, and having accepted the executed Consent Agreement and placed such Consent Agreement on the public record for a period of thirty (30) days for the receipt and consideration of public comments, now in further conformity with the procedure described in Commission Rule 2.34, 16 CFR 2.34, the Commission hereby makes the following jurisdictional findings and issues the following Order:

1. Respondent PCC is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Oregon, with its office and principal place of business located at 4650 S.W. Macadam Avenue, Suite 440, Portland, Oregon.

2. Respondent Wyman-Gordon is a corporation organized, existing, and doing business under and by virtue of the laws of the

Commonwealth of Massachusetts, with its office and principal place of business located at 244 Worcester Street, Grafton, Massachusetts.

3. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of Respondents, and the proceeding is in the public interest.

ORDER

I.

It is ordered, That, as used in this order, the following definitions shall apply:

A. "*PCC*" means Precision Castparts Corp., its directors, officers, employees, agents and representatives, predecessors, successors, and assigns; its subsidiaries, including Wyman-Gordon after the Acquisition, divisions, groups and affiliates controlled by PCC, and the respective directors, officers, employees, agents and representatives, successors, and assigns of each.

B. "*Wyman-Gordon*" means Wyman-Gordon Company, its directors, officers, employees, agents and representatives, predecessors, successors, and assigns; its subsidiaries, divisions, groups and affiliates controlled by Wyman-Gordon, and the respective directors, officers, employees, agents and representatives, successors, and assigns of each; "*Wyman-Gordon*" includes Wyman-Gordon Titanium Castings, LLC, the joint venture with Titanium Metals Corporation through which Wyman-Gordon conducts its Titanium Aerospace Investment Cast Components business.

C. "*Respondents*" means PCC and Wyman-Gordon, individually and collectively.

D. "*Commission*" means the Federal Trade Commission.

E. "*Doncasters*" means Doncasters plc, a corporation organized, existing, and doing business under and by virtue of the laws of the United Kingdom, with its office and principal place of business located at 28-30 Derby Road, Melbourne, Derbyshire, United Kingdom.

F. "*Acquisition*" means the proposed acquisition by PCC of all the voting securities of Wyman-Gordon.

G. "*Investment Casting*" means a method of manufacturing metal components, whereby a wax model of the metal component is dipped into a ceramic slurry which dries to form a ceramic shell. The wax is then removed using a special furnace, leaving a cavity within the

ceramic shell into which molten metal is poured. Once the metal cools, the ceramic shell is removed producing dimensionally precise metal components.

H. "*Aerospace Investment Cast Components*" means dimensionally precise metal components manufactured using the Investment Casting process that are used primarily in aerospace jet engine and aerospace airframe applications.

I. "*Titanium Aerospace Investment Cast Components*" means Aerospace Investment Cast Components manufactured using titanium alloy.

J. "*Stainless Steel and/or Nickel-based Superalloy Aerospace Investment Cast Components*" means Aerospace Investment Cast Components of a diameter or length of twelve (12) inches or greater manufactured using stainless steel and/or nickel-based superalloys.

K. "*Tooling*" means the metal die or tool necessary to produce the wax model of the component in the Investment Casting process.

L. "*Manufacturing Know-How*" means gating schemes, temperature controls, and other fixed process documentation, and all information, data and notes relating thereto, used in the development, manufacture and sale of Aerospace Investment Cast Components.

M. "*Albany Facility*" means Wyman-Gordon's Investment Casting manufacturing plant located at 150 Queen Avenue SW, Albany, Oregon, and all assets used in the production of Titanium Aerospace Investment Cast Components at the Albany Facility.

N. "*Groton Large Parts Facility*" means Wyman-Gordon's Investment Casting manufacturing plant located at 839 Poquonnock Road, Groton, Connecticut, identified by Wyman-Gordon for internal accounting purposes as Plant 08, and all assets used in the production of Titanium Aerospace Investment Cast Components and Stainless Steel and/or Nickel-based Superalloy Aerospace Investment Cast Components at the Groton Large Parts Facility included in the Groton Divestiture Agreement.

O. "*Groton Facility*" means Wyman-Gordon's Investment Casting manufacturing plants, referred to internally by Wyman-Gordon as Plant 08 and Plant 02, located at 839 Poquonnock Road, Groton, Connecticut, and all assets used in the production of Titanium Aerospace Investment Cast Components and Stainless Steel and/or Nickel-based Superalloy Aerospace Investment Cast Components at the Groton Facility.

P. "*Albany Facility Assets*" means all assets, properties, businesses and goodwill, tangible and intangible, of Wyman-Gordon used in the development, manufacture and sale of Titanium Aerospace Investment Cast Components at the Albany Facility, including, without limitation, the following:

1. All owned or leased real property and improvements, buildings, plants, manufacturing operations, machinery, fixtures, equipment, furniture, tools and other tangible personal property located in Wyman-Gordon's Albany Facility;

2. All intellectual property, inventions, technology, trademarks, trade names, trade secrets, copyrights, Manufacturing Know-How, research material, technical information, management information systems, software specifications, designs, drawings, processes and quality control data; provided, however, that this does not include any rights in the name "Wyman-Gordon";

3. All customer lists, vendor lists, catalogs, sales promotion literature and advertising materials; inventory and storage capacity; rights, titles and interests in and to owned or leased real property, together with appurtenances, licenses and permits;

4. All rights, titles and interests in and to contracts relating to the development, manufacture and sale of any Titanium Aerospace Investment Cast Component; all rights, titles and interests in and to the contracts entered into in the ordinary course of business with customers (together with associated bid and performance bonds), suppliers, sales representatives, distributors, agents, personal property lessors, personal property lessees, licensors, licensees, consignors, consignees;

5. All rights under warranties and guarantees, express or implied;

6. All books, records and files, and all items of prepaid expense;

and

7. All Sales and Service Operations.

Q. "*Groton Large Parts Facility Assets*" means all assets, properties, businesses and goodwill, tangible and intangible, of Wyman-Gordon used in the development, manufacture and sale of Titanium Aerospace Investment Cast Components or Stainless Steel and/or Nickel-based Superalloy Aerospace Investment Cast Components at the Groton Large Parts Facility, including, without limitation, the following:

1. All owned or leased real property and improvements, buildings, plants, manufacturing operations, machinery, fixtures, equipment, furniture, tools and other tangible personal property located in Wyman-Gordon's Groton Large Parts Facility;

2. All intellectual property, inventions, technology, trademarks, trade names, trade secrets, copyrights, Manufacturing Know-How, research material, technical information, management information systems, software specifications, designs, drawings, processes and quality control data; provided, however, that this does not include any rights in the name "Wyman-Gordon";

3. All customer lists, vendor lists, catalogs, sales promotion literature and advertising materials; inventory and storage capacity; rights, titles and interests in and to owned or leased real property, together with appurtenances, licenses and permits;

4. All rights, titles and interests in and to contracts relating to the development, manufacture and sale of any Aerospace Investment Cast Component; all rights, titles and interests in and to the contracts entered into in the ordinary course of business with customers (together with associated bid and performance bonds), suppliers, sales representatives, distributors, agents, personal property lessors, personal property lessees, licensors, licensees, consignors, consignees;

5. All rights under warranties and guarantees, express or implied;

6. All books, records and files, and all items of prepaid expense; and

7. All Sales and Service Operations.

R. "*Groton Facility Assets*" means all assets, properties, businesses and goodwill, tangible and intangible, used in the development, manufacture and sale of Titanium Aerospace Investment Cast Components or Stainless Steel and/or Nickel-based Superalloy Aerospace Investment Cast Components at the Groton Facility, including, without limitation, the following:

1. All owned or leased real property and improvements, buildings, plants, manufacturing operations, machinery, fixtures, equipment, furniture, tools and other tangible personal property located at the Groton Facility;

2. All intellectual property, inventions, technology, trademarks, trade names, trade secrets, copyrights, Manufacturing Know-How, research material, technical information, management information systems, software specifications, designs, drawings, processes and

quality control data; provided, however, that this does not include any rights in the name "Wyman-Gordon";

3. All customer lists, vendor lists, catalogs, sales promotion literature and advertising materials; inventory and storage capacity; rights, titles and interests in and to owned or leased real property, together with appurtenances, licenses and permits;

4. All rights, titles and interests in and to contracts relating to the development, manufacture and sale of any Aerospace Investment Cast Component; all rights, titles and interests in and to the contracts entered into in the ordinary course of business with customers (together with associated bid and performance bonds), suppliers, sales representatives, distributors, agents, personal property lessors, personal property lessees, licensors, licensees, consignors, consignees;

5. All rights under warranties and guarantees, express or implied;

6. All books, records and files, and all items of prepaid expense; and

7. All Sales and Service Operations.

S. "*Acquirer-Albany*" means the entity that acquires the Albany Facility Assets pursuant to Paragraphs II.A. or III.A. of this Order, as applicable.

T. "*Acquirer-Groton*" means Doncasters, or the entity that acquires the Groton Facility Assets pursuant to Paragraphs IV.A.2. or V.A. of this Order, as applicable.

U. "*Groton Divestiture Agreement*" means all agreements between Respondents and any Acquirer-Groton, and all exhibits thereof.

V. "*Albany Divestiture Agreement*" means all agreements between Respondents and any Acquirer-Albany, and all exhibits thereof.

W. "*Non-Public Acquirer Information*" means any information not in the public domain obtained by Respondents directly or indirectly from the Acquirer-Albany or the Acquirer-Groton, prior to the effective date, or during the term, of the provision of assistance to the acquirer as required by Paragraphs II.E. and IV.C. of this Order. Non-Public Acquirer Information shall not include information that subsequently falls within the public domain through no violation of this Order by Respondents.

X. "*Cost*" means direct cash cost of raw materials and labor.

Y. "*Sales and Services Operations*" means all of Wyman-Gordon's assets, properties, business and goodwill, tangible and intangible, used in the sale or service of Wyman-Gordon's Aerospace

Investment Cast Components business at either the Albany Facility, the Groton Large Parts Facility, or the Groton Facility, as applicable.

Z. "*Material Confidential Information*" means competitively sensitive or proprietary information not independently known to an entity from sources other than the entity to which the information pertains, and includes, but is not limited to, all customer lists, price lists, marketing methods, patents, technologies, processes, Manufacturing Know-How, or other trade secrets.

AA. "*Key Employees*" means the employees listed in Appendix A to this Order.

II.

It is further ordered, That:

A. Respondents shall divest the Albany Facility Assets, at no minimum price, absolutely and in good faith, within six (6) months from the date the Consent Agreement is signed by Respondents.

Provided that, if the Acquirer-Albany expresses a preference not to acquire any portion of the Albany Facility Assets, and if the Commission approves the Acquirer-Albany and the Albany Divestiture Agreement, then Respondents shall not be required to divest that portion of such assets.

B. Respondents shall divest the Albany Facility Assets only to an acquirer that receives the prior approval of the Commission and only in a manner that receives the prior approval of the Commission. The purpose of the divestiture of the Albany Facility Assets is to ensure that the Albany Facility Assets continue to be used in the development, manufacture and sale of Titanium Aerospace Investment Cast Components in substantially the same manner and quality currently employed or achieved by Wyman-Gordon and to remedy the lessening of competition resulting from the Acquisition as alleged in the Commission's complaint.

C. Pending divestiture of the Albany Facility Assets, Respondents shall take such actions as are necessary to maintain the viability and marketability of the Albany Facility Assets and to prevent the destruction, removal, wasting, deterioration, or impairment of any of the Albany Facility Assets except for ordinary wear and tear. Prior to divestiture, Respondents shall not transfer any of the individuals identified pursuant to Paragraph II.I. of this Order to any other position outside the Albany Facility.

D. Respondents will ensure that at the time of the divestiture required under Paragraph II.A., the Albany Facility Assets shall be unencumbered and free of current and future claims of ownership or any equity interest, including, but not limited to, any claims of right of first refusal, by any third-party entity or entities, including, but not limited to, Titanium Metals Corporation. Provided, however, that if the Acquirer-Albany determines to allow Titanium Metals Corporation to retain all or a part of its interest in the Albany Facility Assets after the divestiture, and if the Commission approves such retention, then the Respondents shall be deemed to have complied with this Paragraph II.D.

E. With respect to Titanium Aerospace Investment Cast Components, the applicable Tooling for which existed at the Albany Facility at the time of the divestiture, Respondents shall provide, at cost, upon reasonable notice and request by Acquirer-Albany, for a period not to exceed twelve (12) months from the date the divestiture is completed: (a) such assistance and training as are reasonably necessary to enable the Acquirer-Albany to develop, manufacture and sell Titanium Aerospace Investment Cast Components in substantially the same manner and quality, and using the same Manufacturing Know-How, as employed or achieved by Wyman-Gordon; and (b) such assistance and training as are reasonably necessary to enable the Acquirer-Albany to obtain any customer-required approvals and/or certifications.

F. Respondents shall not provide, disclose or otherwise make available to any of their employees not involved in providing assistance to the Acquirer-Albany, any Non-Public Acquirer Information, nor shall Respondents use any Non-Public Acquirer Information obtained or derived by Respondents in their capacity as a provider of assistance pursuant to Paragraph II.E., except for the sole purpose of providing assistance pursuant to Paragraph II.E.

G. Respondents shall comply with the terms of the Albany Divestiture Agreement for the Albany Facility Assets, which will be incorporated by reference into this Order, and made a part thereof. Any failure by Respondents to comply with the terms of the Albany Divestiture Agreement shall constitute a failure to comply with this Order.

H. For a period of twelve (12) months from the date the divestiture occurs, Respondents shall, upon reasonable notice and

request by a customer of any Titanium Aerospace Investment Cast Component(s):

1. Transfer to the Albany Facility all Tooling and Manufacturing Know-How located in any other Wyman-Gordon manufacturing facility at any time prior to the date the Acquisition is completed, used in the development, manufacture and sale of the Titanium Aerospace Investment Cast Component(s) identified by the customer;

2. Pay all costs reasonably incurred in the delivery of such Tooling and Manufacturing Know-How to the Albany Facility;

3. Pay fifty (50) percent of the costs, if any, that are reasonably and necessarily incurred by the Acquirer-Albany in conforming such Tooling so as to enable the manufacture of Titanium Aerospace Investment Cast Component(s) to substantially the same quality employed or achieved by Wyman-Gordon; and

4. With respect to such Tooling, pay fifty (50) percent of the costs, if any, that are reasonably and necessarily incurred by the Acquirer-Albany in obtaining customer-required certification or approval for Titanium Aerospace Investment Cast Component(s) produced from the same Manufacturing Know-How and having substantially the same quality employed or achieved by Wyman-Gordon.

I. No later than the time of the execution of the Albany Divestiture Agreement, Respondents shall provide the Acquirer-Albany with a complete list of all non-clerical, salaried employees of Wyman-Gordon who have been involved in the development, manufacture or sale of any Titanium Aerospace Investment Cast Component at the Albany Facility at any time during the period from January 1, 1999 until the date of the Albany Divestiture Agreement. The list shall state each individual's name, position or positions held from January 1, 1999 until the date of the Albany Divestiture Agreement, address, telephone number, and a description of the duties and work performed by the individual in connection with any Titanium Aerospace Investment Cast Component developed, manufactured or sold by Wyman-Gordon's Albany Facility. Respondents shall provide the Acquirer-Albany the opportunity to enter into employment contracts with such individuals, provided that such contracts are contingent upon the Commission's approval of the Albany Divestiture Agreement.

J. Respondents shall provide the Acquirer-Albany with an opportunity to inspect the personnel files and other documentation relating to the individuals identified pursuant to Paragraph II.I. of this Order to the extent permissible under applicable laws, at the request of the Acquirer-Albany any time after the execution of the Albany Divestiture Agreement.

K. Respondents shall not enforce any confidentiality or non-compete restrictions relating to the Albany Facility Assets that apply to any employee identified pursuant to Paragraph II.I. who accepts employment with the Acquirer-Albany. In addition, Respondents shall provide all Key Employees of the Albany Facility with reasonable financial incentives to continue in their employment positions during the period covered by the Order to Hold Separate, hereto attached, in order that such employees may be in a position to accept employment with the Acquirer-Albany at the time of the divestiture. Such incentives shall include:

1. Continuation of all employee benefits offered by Wyman-Gordon until the date of the divestiture, including regularly scheduled raises and bonuses; and

2. A bonus, based on the schedule identified in Appendix A, of an employee's annual salary (including any other bonuses) as of the date this Order becomes final for any individual who agrees to accept an offer of employment from the Acquirer-Albany, payable by Respondents as of the date the divestiture is accomplished.

L. For a period of one (1) year commencing on the date of the individual's employment by the Commission-approved Acquirer-Albany, Respondents shall not employ any of the Key Employees who have been offered employment with the Commission-approved Acquirer-Albany, unless the individual's employment has been terminated by the Acquirer-Albany.

III.

It is further ordered, That:

A. If Respondents have not divested, absolutely and in good faith and with the Commission's prior approval, the Albany Facility Assets within the time required by Paragraph II.A. of this Order, the Commission may appoint a trustee to divest the Albany Facility Assets. In the event that the Commission or the Attorney General

brings an action pursuant to Section 5(I) of the Federal Trade Commission Act, 15 U.S.C. 45(I), or any other statute enforced by the Commission, Respondents shall consent to the appointment of a trustee in such action. Neither the appointment of a trustee nor a decision not to appoint a trustee under this Paragraph shall preclude the Commission or the Attorney General from seeking civil penalties or any other relief available to it, including a court-appointed trustee, pursuant to Section 5(I) of the Federal Trade Commission Act, or any other statute enforced by the Commission, for any failure by the Respondents to comply with this Order.

B. If a trustee is appointed by the Commission or a court pursuant to Paragraph III.A. of this Order, Respondents shall consent to the following terms and conditions regarding the trustee's powers, duties, authority and responsibilities:

1. The Commission shall select the trustee, subject to the consent of the Respondents, which consent shall not be unreasonably withheld. The trustee shall be a person with experience and expertise in acquisitions and divestitures. If Respondents have not opposed, in writing, including the reasons for opposing, the selection of any proposed trustee within ten (10) days after notice by the staff of the Commission to Respondents of the identify of the proposed trustee, Respondents shall be deemed to have consented to the selection of the proposed trustee.

2. Subject to the prior approval of the Commission, the trustee shall have the exclusive power and authority to divest the Albany Facility Assets.

3. Within ten (10) days after appointment of the trustee, Respondents shall execute a trust agreement that, subject to the prior approval of the Commission and, in the case of a court-appointed trustee, of the court, transfers to the trustee all rights and powers necessary to permit the trustee to effect the divestiture required by this Order.

4. The trustee shall have twelve (12) months from the date the Commission approves the trust agreement described in Paragraph III.B.3. to accomplish the divestiture, which shall be subject to the prior approval of the Commission. If, however, at the end of the twelve-month period, the trustee has submitted a plan of divestiture or believes that divestiture can be achieved within a reasonable time, the divestiture period may be extended by the Commission or, in the

case of a court-appointed trustee, by the court; provided, however, the Commission may extend this period only two (2) times.

5. The trustee shall have full and complete access to the personnel, books, records and facilities related to the Albany Facility Assets or to any other relevant information, as the trustee may request. Respondents shall develop such financial or other information as such trustee may request and shall cooperate with the trustee. Respondents shall take no action to interfere with or impede the trustee's accomplishment of the divestiture. Any delays in divestiture caused by Respondents shall extend the time for divestiture under this Paragraph in an amount equal to the delay, as determined by the Commission or, for a court-appointed trustee, by the court.

6. The trustee shall use his or her best efforts to negotiate the most favorable price and terms available in each contract that is submitted to the Commission, subject to Respondents' absolute and unconditional obligation to divest expeditiously at no minimum price. The divestiture shall be made in the manner and to an acquirer as set out in Paragraph II.A. of this Order; provided, however, if the trustee receives bona fide offers from more than one such acquiring entity, and if the Commission determines to approve more than one such acquiring entity, the trustee shall divest to the acquiring entity selected by Respondents from among those approved by the Commission; provided further, however, that Respondents shall select such entity within five (5) business days of receiving notification of the Commission's approval.

7. The trustee shall serve, without bond or other security, at the cost and expense of Respondents, on such reasonable and customary terms and conditions as the Commission or a court may set. The trustee shall have the authority to employ, at the cost and expense of Respondents, such consultants, accountants, attorneys, investment bankers, business brokers, appraisers, and other representatives and assistants as are necessary to carry out the trustee's duties and responsibilities. The trustee shall account for all monies derived from the divestiture and all expenses incurred. After approval by the Commission and, in the case of a court-appointed trustee, by the court, of the account of the trustee, including fees for his or her services, all remaining monies shall be paid at the direction of Respondents, and the trustee's power shall be terminated. The trustee's compensation shall be based at least in significant part on a commission arrangement contingent on the trustee's divesting the Albany Facility Assets.

8. Respondents shall indemnify the trustee and hold the trustee harmless against any losses, claims, damages, liabilities, or expenses arising out of, or in connection with, the performance of the trustee's duties, including all reasonable fees of counsel and other expenses incurred in connection with the preparation for or defense of any claim, whether or not resulting in any liability, except to the extent that such losses, claims, damages, liabilities or expenses result from misfeasance, gross negligence, willful or wanton acts, or bad faith by the trustee.

9. If the trustee ceases to act or fails to act diligently, a substitute trustee shall be appointed in the same manner as provided in Paragraph III.A. of this Order.

10. The Commission or, in the case of a court-appointed trustee, the court, may on its own initiative or at the request of the trustee issue such additional orders or directions as may be necessary or appropriate to accomplish the divestiture required by this Order.

11. In the event the trustee reasonably determines that he or she is unable to divest the Albany Facility Assets in a manner consistent with the Commission's purpose as described in Paragraph II.B., the trustee may also divest such additional ancillary assets and business and effect such arrangements as are necessary to maintain the marketability, viability and competitiveness of the Albany Facility Assets.

12. The trustee shall have no obligation or authority to operate or maintain the Albany Facility Assets.

13. The trustee shall report in writing to Respondents and the Commission every sixty (60) days concerning the trustee's efforts to accomplish the divestiture.

IV.

It is further ordered, That:

A. Respondents shall divest, absolutely and in good faith:

1. The Groton Large Parts Facility Assets as a competitive, viable, on-going business to Doncasters, in accordance with the Asset Purchase Agreement between Wyman-Gordon Investment Castings, Inc. and Doncasters dated October 8, 1999 within sixteen (16) business days of the date the Commission accepts the Consent Agreement for public comment; or

2. The Groton Facility Assets, at no minimum price, to an Acquirer-Groton within six (6) months after the date the Respondents sign the Consent Agreement. Respondents shall divest the Groton Facility Assets pursuant to Paragraph IV.A.2. of this Order only to an Acquirer-Groton that receives the prior approval of the Commission and only in a manner that receives the prior approval of the Commission.

Provided that, if the Acquirer-Groton expresses a preference not to acquire any portion of the Groton Large Parts Facility Assets or the Groton Facility Assets, as applicable, and if the Commission approves the Acquirer-Groton and the Groton Divestiture Agreement, then Respondents shall not be required to divest that portion of such assets.

B. The purpose of the divestiture of the Groton Large Parts Facility Assets or the Groton Facility Assets is to ensure that these assets continue to be used in the development, manufacture and sale of Aerospace Investment Cast Components in substantially the same manner and quality currently employed or achieved by Wyman-Gordon and to remedy the lessening of competition resulting from the acquisition as alleged in the Commission's complaint.

C. With respect to Aerospace Investment Cast Components, the applicable Tooling for which existed at the Groton Large Parts Facility or, if applicable, the Groton Facility, at the time of the divestiture, Respondents shall provide, at cost, upon reasonable notice and request by the Acquirer-Groton, for a period not to exceed twelve (12) months from the date the divestiture is completed: (a) such assistance and training as are reasonably necessary to enable the Acquirer-Groton to develop, manufacture and sell Aerospace Investment Cast Components in substantially the same manner and quality, and using the same Manufacturing Know-How, as employed or achieved by Wyman-Gordon; and (b) such assistance and training as are reasonably necessary to enable the Acquirer-Groton to obtain any customer-required approvals and/or certifications.

D. Respondents shall not provide, disclose or otherwise make available to any of their employees not involved in providing assistance to the Acquirer-Groton, any Non-Public Acquirer Information, nor shall Respondents use any Non-Public Acquirer Information obtained or derived by Respondents in their capacity as

a provider of assistance pursuant to Paragraph IV.C., except for the sole purpose of providing assistance pursuant to Paragraph IV.C.

E. Pending either the divestiture of the Groton Large Parts Facility Assets to Doncasters pursuant to Paragraph IV.A.1. of this Order or the divestiture of the Groton Facility Assets pursuant to Paragraphs IV.A.2. or V.A. of this Order, if applicable, Respondents shall take such actions as are necessary to maintain the viability and marketability of the Groton Facility Assets and to prevent the destruction, removal, wasting, deterioration, or impairment of any of the Groton Facility Assets except for ordinary wear and tear. Prior to divestiture, Respondents shall not transfer, without the consent of the Acquirer-Groton, any of the individuals identified pursuant to Paragraph IV.H. of this Order to any other position.

F. For a period of twelve (12) months from the date the divestiture occurs, upon reasonable notice and request by a customer of any Aerospace Investment Cast Component(s) of a diameter or length twelve (12) inches or greater, Respondents shall:

1. Transfer to the Groton Large Parts Facility or the Groton Facility, as applicable, all Tooling and Manufacturing Know-How located in any other Wyman-Gordon manufacturing facility, other than the Albany Facility, at any time prior to the date the Acquisition is completed, used in the development, manufacture and sale of the Aerospace Investment Cast Component(s) identified by the customer;

2. Pay all costs reasonably incurred in the delivery of such Tooling and Manufacturing Know-How to the Groton Large Parts Facility or the Groton Facility, as applicable;

3. Pay fifty (50) percent of the costs, if any, that are reasonably and necessarily incurred by the Acquirer-Groton in conforming such Tooling so as to enable the manufacture of Aerospace Investment Cast Component(s) to substantially the same quality employed or achieved by Wyman-Gordon; and

4. With respect to such Tooling, pay fifty (50) percent of the costs, if any, that reasonably and necessarily are incurred by the Acquirer-Groton in obtaining customer-required certification or approval for Aerospace Investment Cast Component(s) having substantially the same quality and using the same Manufacturing Know-How, as employed or achieved by Wyman-Gordon.

G. Respondents shall comply with the terms of the Groton Divestiture Agreement, which is incorporated by reference into this Order, and made a part thereof. Any failure by Respondents to comply with the terms of the Groton Divestiture Agreement shall constitute a failure to comply with this Order.

H. No later than the time of the execution the Groton Divestiture Agreement, Respondents shall provide the Acquirer-Groton with a complete list of all non-clerical, salaried employees of Wyman-Gordon's Groton Facility who have been involved in the development, manufacture or sale of any Aerospace Investment Cast Component at the Groton Facility, at any time during the period from January 1, 1999 until the date of the Groton Divestiture Agreement. The list shall state each individual's name, position or positions held from January 1, 1999 until the date of the Groton Divestiture Agreement, address, telephone number, and a description of the duties and work performed by the individual in connection with any Aerospace Investment Cast Component developed, manufactured or sold by Wyman-Gordon's Groton Facility. Respondents shall provide the Acquirer-Groton the opportunity to enter into employment contracts with such individuals, provided that such contracts are contingent upon the Commission's approval of the Groton Divestiture Agreement.

I. Respondents shall provide the Acquirer-Groton with an opportunity to inspect the personnel files and other documentation relating to the individuals identified pursuant to Paragraph IV.H. of this Order to the extent permissible under applicable laws, at the request of the Acquirer-Groton any time after the execution of the Groton Divestiture Agreement.

J. Respondents shall not enforce any confidentiality or non-compete restrictions relating to the Groton Large Parts Facility or the Groton Facility, as applicable, that apply to any employee identified pursuant to Paragraph IV.H. who accepts employment with the Acquirer-Groton. In addition, Respondents shall provide all Key Employees of the Groton Facility with reasonable financial incentives to continue in their employment positions, either (1) pending divestiture of the Groton Large Parts Facility Assets, or (2) during the period covered by the Order to Hold Separate, hereto attached, as applicable, in order that such employees may be in a position to

accept employment with the Acquirer-Groton at the time of the divestiture. Such incentives shall include:

1. Continuation of all employee benefits offered by Wyman-Gordon until the date of the divestiture, including regularly scheduled raises and bonuses; and

2. A bonus, based on the schedule identified in Appendix A, of an employee's annual salary (including any other bonuses) as of the date this Order becomes final, payable by Respondents six (6) months from the date the divestiture is accomplished, for any individual who is employed at that time by the Acquirer-Groton.

K. For a period of one (1) year commencing on the date of the individual's employment by the Commission-approved Acquirer-Groton, Respondents shall not employ any of the Key Employees of the Groton Facility who have been offered employment with the Commission-approved Acquirer-Groton, unless the individual's employment has been terminated by the Acquirer-Groton.

V.

It is further ordered, That

A. If Respondents have not divested, absolutely and in good faith, and with the Commission's prior approval, the Groton Large Parts Facility Assets or Groton Facility Assets within the time required by Paragraph IV.A. of this Order, then the Commission may appoint a trustee to divest the Groton Facility Assets. The trustee may be the same person as the trustee appointed in Paragraph III.A. of this Order. In the event that the Commission or the Attorney General brings an action pursuant to Section 5(l) of the Federal Trade Commission Act, 15 U.S.C. 45(l), or any other statute enforced by the Commission, Respondents shall consent to the appointment of a trustee in such action. Neither the appointment of a trustee nor a decision not to appoint a trustee under this Paragraph shall preclude the Commission or the Attorney General from seeking civil penalties or any other relief available to it, including a court-appointed trustee, pursuant to Section 5(l) of the Federal Trade Commission Act, or any other statute enforced by the Commission, for any failure by the Respondents to comply with this Order.

B. If a trustee is appointed by the Commission or a court pursuant to Paragraph V.A. of this Order, Respondents shall consent to the

following terms and conditions regarding the trustee's powers, duties, authority and responsibilities:

1. The Commission shall select the trustee, subject to the consent of the Respondents, which consent shall not be unreasonably withheld. The trustee shall be a person with experience and expertise in acquisitions and divestitures. If Respondents have not opposed, in writing, including the reasons for opposing, the selection of any proposed trustee within ten (10) days after notice by the staff of the Commission to Respondents of the identify of the proposed trustee, Respondents shall be deemed to have consented to the selection of the proposed trustee.

2. Subject to the prior approval of the Commission, the trustee shall have the exclusive power and authority to divest the Groton Facility Assets.

3. Within ten (10) days after appointment of the trustee, Respondents shall execute a trust agreement that, subject to the prior approval of the Commission and, in the case of a court-appointed trustee, of the court, transfers to the trustee all rights and powers necessary to permit the trustee to effect the divestiture required by this Order.

4. The trustee shall have twelve (12) months from the date the Commission approves the trust agreement described in Paragraph V.B.3. to accomplish the divestiture, which shall be subject to the prior approval of the Commission. If, however, at the end of the twelve-month period, the trustee has submitted a plan of divestiture or believes that divestiture can be achieved within a reasonable time, the divestiture period may be extended by the Commission or, in the case of a court-appointed trustee, by the court; provided, however, the Commission may extend this period only two (2) times.

5. The trustee shall have full and complete access to the personnel, books, records and facilities related to the Groton Facility Assets or to any other relevant information, as the trustee may request. Respondents shall develop such financial or other information as such trustee may request and shall cooperate with the trustee. Respondents shall take no action to interfere with or impede the trustee's accomplishment of the divestiture. Any delays in divestiture caused by Respondents shall extend the time for divestiture under this Paragraph in an amount equal to the delay, as determined by the Commission or, for a court-appointed trustee, by the court.

6. The trustee shall use his or her best efforts to negotiate the most favorable price and terms available in each contract that is submitted to the Commission, subject to Respondents' absolute and unconditional obligation to divest expeditiously at no minimum price. The divestiture shall be made in the manner and to an acquirer as set out in Paragraph IV.A.2. of this Order; provided, however, if the trustee receives bona fide offers from more than one such acquiring entity, and if the Commission determines to approve more than one such acquiring entity, the trustee shall divest to the acquiring entity selected by Respondents from among those approved by the Commission; provided further, however, that Respondents shall select such entity within five (5) business days of receiving notification of the Commission's approval.

7. The trustee shall serve, without bond or other security, at the cost and expense of Respondents, on such reasonable and customary terms and conditions as the Commission or a court may set. The trustee shall have the authority to employ, at the cost and expense of Respondents, such consultants, accountants, attorneys, investment bankers, business brokers, appraisers, and other representatives and assistants as are necessary to carry out the trustee's duties and responsibilities. The trustee shall account for all monies derived from the divestiture and all expenses incurred. After approval by the Commission and, in the case of a court-appointed trustee, by the court, of the account of the trustee, including fees for his or her services, all remaining monies shall be paid at the direction of Respondents, and the trustee's power shall be terminated. The trustee's compensation shall be based at least in significant part on a commission arrangement contingent on the trustee's divesting the Groton Facility Assets.

8. Respondents shall indemnify the trustee and hold the trustee harmless against any losses, claims, damages, liabilities, or expenses arising out of, or in connection with, the performance of the trustee's duties, including all reasonable fees of counsel and other expenses incurred in connection with the preparation for or defense of any claim, whether or not resulting in any liability, except to the extent that such losses, claims, damages, liabilities, or expenses result from misfeasance, gross negligence, willful or wanton acts, or bad faith by the trustee.

9. If the trustee ceases to act or fails to act diligently, a substitute trustee shall be appointed in the same manner as provided in Paragraph V.A. of this Order.

10. The Commission or, in the case of a court-appointed trustee, the court, may on its own initiative or at the request of the trustee issue such additional orders or directions as may be necessary or appropriate to accomplish the divestiture required by this Order.

11. In the event the trustee reasonably determines that he or she is unable to divest the Groton Facility Assets in a manner consistent with the Commission's purpose as described in Paragraph IV.B., the trustee may also divest such additional ancillary assets and business and effect such arrangements as are necessary to maintain the marketability, viability and competitiveness of the Groton Facility Assets.

12. The trustee shall have no obligation or authority to operate or maintain the Groton Facility Assets.

13. The trustee shall report in writing to Respondents and the Commission every sixty (60) days concerning the trustee's efforts to accomplish the divestiture.

VI.

It is further ordered, That:

A. Within thirty (30) days after the date this order becomes final and every thirty (30) days thereafter until Respondents have fully complied with the provisions of Paragraphs II. through V. of this Order, Respondents shall submit to the Commission a verified written report setting forth in detail the manner and form in which they intend to comply, are complying, and have complied with Paragraphs II. through V. of this Order and with the Order to Hold Separate. Respondents shall include in their compliance reports, among other things that are required from time to time, a full description of the efforts being made to comply with Paragraphs II. through V. of the Order, including a description of all substantive contacts or negotiations for the divestitures and the identities of all parties contacted. Respondents shall include in their compliance reports copies, other than of privileged materials, of all written communications to and from such parties, all internal memoranda, and all reports and recommendations concerning divestiture. The final compliance report required by this Paragraph VI.A. shall include a statement that the divestitures have been accomplished in the manner approved by the Commission and shall include the dates the divestitures were accomplished.

B. One year from the date of divestiture of the Albany Facility Assets and annually thereafter until the Order terminates, Respondents shall file a verified written report to the Commission setting forth in

detail the manner in which they have complied and are complying with this Order.

C. One year from the date of divestiture of the Groton Large Parts Facility Assets or the Groton Facility Assets, as applicable, and annually thereafter until the Order terminates, Respondents shall file a verified written report to the Commission setting forth in detail the manner in which they have complied and are complying with this Order.

VII.

It is further ordered, That Respondents shall notify the Commission at least thirty (30) days prior to any proposed change in the corporate Respondents such as dissolution, assignment, sale resulting in the emergence of a successor corporation, or the creation or dissolution of subsidiaries or any other change in the corporation that may affect compliance obligations arising out the Order.

VIII.

It is further ordered, That, for the purpose of determining or securing compliance with this Order, and subject to any legally recognized privilege, and upon written request with reasonable notice to Respondents, Respondents shall permit any duly authorized representative of the Commission:

A. Access, during office hours and in the presence of counsel, to all facilities and access to inspect and copy all non-privileged books, ledgers, accounts, correspondence, memoranda and other records and documents in the possession or under the control of Respondents relating to any matter contained in this Order; and

B. Upon five (5) days' notice to Respondents and without restraint or interference from them, to interview officers, directors, or employees of Respondents, who may have counsel present, regarding any such matters.

IX.

It is further ordered, That this Order shall terminate one (1) year after the divestitures required in Paragraphs II.A. and IV.A. of this Order are accomplished.

Commissioner Leary not participating.

[CONFIDENTIAL APPENDIX A REDACTED]

IN THE MATTER OF

SHELL OIL COMPANY, ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT*Docket C-3912. Complaint, Dec. 22, 1999--Decision, Dec. 22, 1999*

This consent order, among other things, prohibits two Texas-based corporations, that manufacture, advertise, and distribute gasoline additives, from making any representation regarding the performance, benefits, efficacy, attributes or use of fuel additive products or ingredients unless, they possess and rely upon competent and reliable scientific evidence that substantiates the representation. In addition, the consent order prohibits the respondents from misrepresenting the existence, contents, validity, results, or interpretation of any test, study, or research regarding such products.

Participants

For the Commission: *Michael Dershowitz, Sydney Knight, C. Lee Peeler, Lisa Daniel, Susan Braman and Genevieve Fu.*

For the respondents: *Barry Cutler, Baker & Hostetler, Washington, D.C.*

COMPLAINT

The Federal Trade Commission, having reason to believe that Shell Oil Company, a corporation, and Shell Chemical Company, a corporation ("respondents"), have violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent Shell Oil Company ("Shell Oil") is a Delaware corporation. Respondent Shell Chemical Company ("Shell Chemical") is a Delaware corporation and a wholly-owned subsidiary of Shell Oil. Shell Oil and Shell Chemical have their principal offices or places of business at One Shell Plaza, 910 Louisiana Street, Houston, TX. Shell Oil controls the acts and practices of its subsidiary Shell Chemical.

2. Respondents have manufactured, tested, advertised, offered for sale, sold, and distributed motor vehicle gasoline additives, including the VEKTRON™ 3000 series of gasoline additives. This series of additives contains the active ingredient polyether pyrrolidone ("PEP"), a molecule patented for use in gasoline additives. Respondents have advertised and sold these additives to trade customers for use in their