Articles of Incorporation or Bylaws of Merger Sub, (ii) conflict with or violate any law, rule, regulation, ordinance, order, writ, injunction, judgment or decree applicable to Merger Sub or its business or by which any of its assets are affected, except to the extent any such conflict or violation would not have a Material Adverse Effect, or (iii) conflict with or result in any breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination or cancellation of or accelerate the performance required by or maturity of, or result in the creation of any security interest, lien, charge or encumbrance on the assets of Merger Sub pursuant to any of the terms, conditions or provisions of any note, bond, mortgage, indenture, permit, license, franchise, lease, contract, or other instrument or obligation to which Merger Sub is a party or by which any of its assets are affected, except to the extent any such conflict, breach, default, right of termination or cancellation, acceleration or creation of any such security interest, lien, change or encumbrance would not have a Material Adverse Effect.

(d) Merger Sub is not required to submit any notice, declaration, report or other filing or registration with any governmental or regulatory authority or instrumentality, and no approvals or non-objections are required to be obtained or made by Merger Sub in connection with the execution, delivery or performance by Merger Sub of this Agreement or any Exhibit or the consummation of the transactions contemplated hereby or thereby, except for approvals that may be required under the DGCL, the HSR Act and the Exchange Act.

5.3 No Business Activities. Merger Sub is not a party to any material agreements and has not conducted any activities other than in connection with the organization of Merger Sub, the negotiation and execution of this Agreement and the consummation of the transactions contemplated hereby. Merger Sub has no Subsidiaries.

ARTICLE VI

ADDITIONAL COVENANTS AND AGREEMENTS

6.1 Conduct of Business of the Company. Except as set forth in Schedule 6.1 to the Company Disclosure Statement, as expressly permitted by this Agreement (including any transaction permitted by Schedule 6.1 to the Company Disclosure Statement), as required by any change in applicable Law, or as otherwise agreed by Parent in writing, during the period from the date of this Agreement to the Closing Date, (i) the Company will, and will cause each of its Subsidiaries to, conduct their businesses in the ordinary course of business consistent with past practice, and (ii) to the extent consistent with the foregoing, the Company will, and will cause each of its Subsidiaries to, use their reasonable best efforts to preserve intact their current business organizations, keep available the service of their current officers and employees, and preserve their relationships with customers, suppliers and others having business dealings with them (but without the obligation to pay any additional compensation to any such officers, employees, customers, suppliers and other persons), in each case with respect to the Company's and its Subsidiaries' current businesses. Without limiting the generality of the foregoing, from and including the date hereof to the Closing Date, the Company will not, and will not permit any

of its Subsidiaries to, without the prior written consent of Parent (except to the extent set forth in Schedule 6.1 to the Company Disclosure Statement):

(a) Except for Shares issued upon exercise of Options or other rights outstanding as of the date hereof under Stock Incentive Plans or Company Plans in accordance with the terms thereof, issue, deliver, sell, dispose of, pledge or otherwise encumber, or authorize or propose the issuance, sale, disposition or pledge or other encumbrance (in each instance, whether through the issuance or granting of options, warrants, commitments, subscriptions, rights to purchase or otherwise) of (A) any additional shares of its capital stock of any class, or any Voting Debt or any securities or rights convertible into, exchangeable for, or evidencing the right to subscribe for any shares of its capital stock or Voting Debt or any rights, warrants, options, calls, commitments or any other agreements of any character to purchase or acquire any shares of its capital stock or Voting Debt or any securities or rights convertible into, exchangeable for, or evidencing the right to subscribe for, any shares of its capital stock, or (B) any other securities in respect of, in lieu of, or in substitution for, Shares outstanding on the date hereof;

(b) Redeem, purchase or otherwise acquire, or propose to redeem, purchase or otherwise acquire, any of its outstanding securities, other than pursuant to existing agreements requiring the Company to repurchase or acquire any shares of its capital stock (provided that such repurchase or acquisition is in accordance with the terms of such agreement as in effect on the date hereof);

(c) Split, combine, subdivide or reclassify any shares of its capital stock or declare, set aside for payment or pay any dividend, or make any other actual, constructive or deemed distribution in respect of any shares of its capital stock or otherwise make any payments to stockholders in their capacity as such (other than dividends or distributions paid by any Wholly Owned Subsidiary of the Company to the Company or another Wholly Owned Subsidiary of the Company);

(d) (i) grant any increases in the compensation of any of its directors, officers or employees, except for increases granted to employees other than officers in the ordinary course of business consistent with past practice, (ii) pay or award or agree to pay or award any pension, retirement allowance, or other non-equity incentive awards, or other employee benefit, not required by any of the Company Plans to any current or former director, officer or employees, whether past or present, or to any other Person, except for payments or awards to current employees other than officers that are in the ordinary course of business, consistent with past practice, (iii) pay or award or agree to pay or award any stock option or equity incentive awards, (iv) enter into any new or amend any existing employment agreement with any director, officer or employee, (v) enter into any new or amend any existing severance agreement with any current or former director, officer or employee, or (vi) become obligated under any new Company Plan which was not in existence on the date hereof, or amend any such Company Plan in existence on the date hereof, except as may be contemplated by this Agreement;

(e) Adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization of the Company or any Subsidiary of the Company (other than the Merger);

(f) Make any acquisition, by means of stock or asset purchase, recapitalization, merger, consolidation or otherwise, of (i) any direct or indirect ownership interest in or assets comprising any business enterprise or operation or (ii) except in the ordinary course and consistent with past practice, any other assets; *provided that* such acquisitions do not and would not prevent or materially delay the consummation of the Merger;

(g) (i) dispose of any interest in any material business enterprise or operation of the Company or any of its Subsidiaries; (ii) make any other disposition of any other direct or indirect ownership interest in any material assets of the Company or any of its Subsidiaries; or (iii) except in the ordinary course and consistent with past practice, dispose of any other assets of the Company or any of its Subsidiaries;

(h) Adopt any amendments to the Company Charter or its Bylaws or alter through merger, liquidation, reorganization, restructuring or in any other fashion the corporate structure or ownership of any Subsidiary of the Company, except as required by this Agreement or as required by applicable laws, rules or regulations, including any NASDAQ rule or regulation;

(i) Incur any indebtedness (other than pursuant to and not exceeding its existing secured credit facilities listed on Schedule 6.1(i) in the ordinary course) for borrowed money or guarantee any indebtedness of any other Person or make any loans, advances or capital contributions to, or investments in, any other Person (other than to any Wholly Owned Subsidiary of the Company);

(j) Engage in the conduct of any business other than the Company's existing businesses;

(k) Enter into any agreement or exercise any discretion providing for acceleration of payment or performance as a result of a change of control of the Company or its Subsidiaries, except in connection with the Merger;

(l) enter into any contracts, arrangements or understandings requiring in the aggregate the purchase of equipment, materials, supplies or services in excess of the Company's budget attached hereto as Schedule 6.1(l) plus $250,000 in the aggregate;

(m) enter into or amend, modify, terminate or waive any right under any agreement with any Affiliates of the Company (other than its Subsidiaries);

(n) settle or compromise any litigation or Tax Controversy with respect to the Company or its Subsidiaries or waive, release or assign any rights or claims with respect to any litigation or Tax Controversy involving the Company or its Subsidiaries;

(o) effect any change in any of its methods of accounting, except as may be required by law or generally accepted accounting principles;

(p) Take any action, including without limitation, the adoption of any shareholder rights plan or amendments to the Company Charter, which would, directly or indirectly, restrict or impair the ability of Parent to vote, or otherwise to exercise the rights and receive the benefits of a stockholder with respect to, securities of the Company that may be acquired or controlled by

Parent or Merger Sub or permit any stockholder to acquire securities of the Company on a basis not available to Parent in the event that Parent were to acquire securities of the Company; or

(q) Authorize, recommend or propose (other than to Parent), or announce an intention to do any of the foregoing, or enter into any contract, agreement, commitment or arrangement to do any of the foregoing.

The Company shall also continue to undertake all usual corporate, stockholder, accounting and regulatory matters on a routine and regular basis. The Company shall notify Parent in advance in writing of any material developments or activities that would be outside of the ordinary course of business in manufacturing carried on at the Company's facilities in Cedar Rapids, Iowa and Lisle, Illinois, including, without limitation, the proposed acquisition and/or disposition of assets material to the efficient operation of the business, the pending or threatened loss of an important customer of the Company, the receipt of a pending or threatened claim that would be material to the business or the assets of the Company and its Subsidiaries taken as a whole, or the existence of labor unrest at the Company or any of its Subsidiaries.

6.2 No Solicitation of Other Offers.

(a) The Company and its Affiliates and each of their respective officers, directors, employees, representatives, consultants, investment bankers, attorneys, accountants and other agents shall immediately cease any discussions or negotiations with any other parties that may be ongoing with respect to any Acquisition Proposal. Neither the Company nor any of its Affiliates shall, directly or indirectly, take (and the Company shall not authorize or permit its or its Affiliates' officers, directors, employees, representatives, consultants, investment bankers, attorneys, accountants or other agents or Affiliates, to so take) any action to (i) encourage, solicit, initiate or facilitate the making of any Acquisition Proposal (including, without limitation, by taking any action that would make Section 203 of the DGCL inapplicable to an Acquisition Proposal) or (ii) participate in any way in discussions or negotiations with, or, furnish or disclose any information to, any Person (other than Parent or Merger Sub) in connection with, or take any other action to facilitate any inquiries or the making of any proposal that constitutes, or may reasonably be expected to lead to, any Acquisition Proposal; *provided, however*, that the Company, in response to an unsolicited Acquisition Proposal and in compliance with its obligations under Section 6.2(b) hereof, may participate in discussions or negotiations with or furnish information (pursuant to a confidentiality agreement with terms not more favorable to such third party than the terms of the Confidentiality Agreement) to any third party which makes an Acquisition Proposal if (i) the Board of Directors reasonably determines (in consultation with the Company's independent financial advisor) that such Acquisition Proposal is likely to lead to a Superior Proposal and (ii) the Board of Directors reasonably believes (in consultation with the Company's independent legal counsel) that failing to take such action would constitute a breach of its fiduciary duties. In addition, neither the Board of Directors of the Company nor any committee thereof shall (A) withdraw or modify, or propose to withdraw or modify, in a manner adverse to Parent or Merger Sub the approval and recommendation of the Merger and this Agreement, (B) approve or recommend, or propose to approve or recommend, any Acquisition Proposal, or (C) enter into any agreement with respect to any Acquisition Proposal or enter into any arrangement, understanding or agreement requiring it to abandon, terminate or fail to

consummate the Merger or any other transactions contemplated by this Agreement; *provided that* the Company may recommend to its stockholders an Acquisition Proposal and in connection therewith withdraw or modify its approval or recommendation of the Merger and enter into an agreement with respect to such Acquisition Proposal if (1) a third party makes a Superior Proposal, and (2) (a) three (3) business days have elapsed following delivery to Parent of a written notice of the determination by the Board of Directors of the Company to take such action and during such (3) business day period the Company has informed Parent of the terms and conditions of such Superior Proposal, and the identity of the Person making such Superior Proposal, and (b) at the end of such three (3) business day period the Acquisition Proposal continues to constitute a Superior Proposal.

"*Acquisition Proposal*" shall mean (i) any inquiry, proposal or offer from any Person relating to any direct or indirect acquisition or purchase of a substantial amount of assets of the Company or any of its material Subsidiaries or of 50% or more of any class of equity securities of the Company or any of its material Subsidiaries, (ii) any tender offer or exchange offer that, if consummated, would result in any Person beneficially owning 50% or more of any class of equity securities of the Company or any of its Subsidiaries, or (iii) any merger, consolidation, business combination, sale of substantially all the assets, recapitalization, liquidation, dissolution or similar transaction involving the Company or any of its Subsidiaries.

"*Superior Proposal*" shall mean a *bona fide* proposal made by a third party to acquire all of the Shares pursuant to a tender offer, a merger or a sale of all of the assets of the Company (w) on terms which a majority of the members of the Board of Directors of the Company determines in its good faith reasonable judgment (in consultation with the Company's independent financial advisor) to be more favorable to the Company and its stockholders than the transactions contemplated hereby, (x) for which financing is then available (it being understood that financing evidenced by highly confident letters and similar letters shall be considered "available" for purposes of this Section), and (y) which is not subject to any financing condition.

(b) From and after the date hereof, in addition to the obligations of the Company set forth in paragraph (a), on the date of receipt thereof, the Company shall advise Parent of any request for information or of any Acquisition Proposal, or any inquiry, proposal, discussions or negotiation with respect to any Acquisition Proposal. The Company shall promptly provide to Parent any non-public information concerning the Company provided to any other Person in connection with any Acquisition Proposal which was not previously provided to Parent.

(c) Immediately following the execution of this Agreement, the Company shall request each Person which has heretofore executed a confidentiality agreement in connection with its consideration of acquiring the Company or any portion thereof to return all confidential information heretofore furnished to such Person by or on behalf of the Company.

6.3 Proxy Statement. As promptly as practicable, the Company will prepare and file a preliminary Proxy Statement with the SEC and will use its reasonable best efforts to respond to the comments of the SEC, if any, in connection therewith and to furnish all information regarding the Company required in the definitive Proxy Statement (including, without limitation, financial statements and supporting schedules and certificates and reports of independent public

accountants). Parent, Merger Sub and Company will cooperate with each other in the preparation of the Proxy Statement. Without limiting the generality of the foregoing, each of Parent and Merger Sub will furnish to the Company the information relating to it required by the Exchange Act to be set forth in the Proxy Statement. As promptly as is reasonably practicable, the Company will cause the definitive Proxy Statement to be mailed to the stockholders of the Company and, if necessary, after the definitive Proxy Statement shall have been so mailed, promptly circulate amended, supplemental or supplemented proxy material and, if required in connection therewith, re-solicit proxies. The Company will provide Ultimate Parent, Parent and Merger Sub the opportunity to review and comment on the Proxy Statement (and any amended, supplemental or supplemented proxy material) before it is printed and mailed to the stockholders of the Company. The Company's obligations under this Section 6.3 are subject to its right to withdraw or modify its approval or recommendation of the Merger in accordance with Section 6.2.

6.4 Stockholder Approval. As promptly as is reasonably practicable, the Company, acting through its Board of Directors, shall, in accordance with applicable Law, duly call, give notice of, convene and hold a meeting of the holders of Shares (the "Company Stockholders' Meeting") for the purpose of voting upon this Agreement and the Merger, and the Company agrees that this Agreement and the Merger shall be submitted at such meeting. The Company shall use its reasonable best efforts to solicit from its stockholders proxies, and shall take all other action necessary and advisable, to obtain the approval of stockholders required by applicable law and the Company Charter or its Bylaws for this Agreement and the Merger. The Company agrees that it will include in the Proxy Statement the recommendation of its Board of Directors that holders of Shares approve and adopt this Agreement and approve the Merger. The Company's obligations under this Section 6.4 are subject to its right to withdraw or modify its approval or recommendation of the Merger in accordance with Section 6.2.

6.5 Commercially Reasonable Efforts. The Company and Parent shall, and shall use their commercially reasonable efforts to cause their respective Subsidiaries, as applicable, to: (i) promptly make all filings and seek to obtain all Authorizations (including, without limitation, all filings required under the HSR Act) required under all applicable Laws with respect to the Merger and the other transactions contemplated hereby and will reasonably consult and cooperate with each other with respect thereto; (ii) not take any action (including effecting or agreeing to effect or announcing an intention or proposal to effect, any acquisition, business combination or other transaction except as set forth in the Company Disclosure Statement) which would impair the ability of the parties to consummate the Merger; and (iii) use their commercially reasonable efforts to promptly (x) take, or cause to be taken, all other actions and (y) do, or cause to be done, all other things reasonably necessary, proper or appropriate to satisfy the conditions set forth in Articles VII and VIII (unless waived) and to consummate and make effective the transactions contemplated by this Agreement on the terms and conditions set forth herein (including seeking to remove promptly any injunction or other legal barrier that may prevent such consummation); *provided, however,* that no loan agreement or contract for borrowed money shall be repaid except as currently required by its terms, in whole or in part, and, subject to Section 6.1, no contract shall be amended to increase the amount payable thereunder or otherwise to be more burdensome to the Company or any of its Subsidiaries in order to obtain any such consent, approval or authorization without first obtaining the written

approval of Parent and Merger Sub. Each party shall promptly notify the other party of any communication to that party from any Governmental Authority in connection with any required filing with, or approval or review by, such Governmental Authority in connection with the Merger and the other transactions contemplated hereby and permit the other party to review in advance any proposed communication to any Governmental Authority in such connection to the extent permitted by applicable law.

6.6 Access to Information. Subject to currently existing contractual and legal restrictions applicable to the Company, the Company shall (and shall cause each of its Subsidiaries to) afford to officers, employees, counsel, accountants and other authorized representatives of Parent ("Parent Representatives") reasonable access, during normal business hours throughout the period prior to the Closing Date, to its properties, books and records (including, subject to execution of customary access letters, the work papers of independent accountants), such access not to unreasonably interfere with the Company's business or operations, and, during such period, shall (and shall cause each of its Subsidiaries to) furnish promptly to such Parent Representatives all information concerning its business, properties and personnel as may reasonably be requested, including but not limited to all purchase order and customer order logs. In addition, Parent Representatives may conduct, within the two-week period prior to the Closing Date expected by Parent, a complete investigation of the Company's financial and other records and accounts (including but not limited to the work papers of the Company's independent accountants), and Company will permit and cooperate fully with such investigation. Parent may further conduct, and the Company will permit and cooperate fully with, environmental audits of the Company's Cedar Rapids and Lisle facilities. The Company shall, at its discretion which shall not be unreasonably withheld, introduce Parent Representatives to the Company's principal suppliers, customers, dealers and employees to facilitate discussions between such persons and Parent in regard to Parent's conduct of the business following the Closing Date. The officers and management of the Company agree to cooperate with the Parent Representatives and agents and to make themselves available to the extent necessary to complete the Parent Representatives' investigation process and the closing of the Merger. All information obtained pursuant to this Section 6.6 shall be subject to the Confidentiality Agreement, which shall remain in full force and effect until consummation of the Merger or, if the Merger is not consummated, for the period specified therein; *provided, however*, that neither Parent nor the Company shall be precluded from making any disclosure which it deems required by law or applicable rule or regulation of any Governmental Authority or self-regulatory organization in connection with the Merger. Parent acknowledges the Company's interest that the Parent Representatives' investigations be as discreet as possible and not unduly disrupt the operations of the Company, and Parent will work diligently to complete the Parent Representatives' investigations in a timely manner so long as the Company cooperates in making the records and personnel available to Parent in a timely fashion.

6.7 Employee Matters.

(a) Starting on the day after the Closing Date and ending on the earlier of (i) one year from the Closing Date and (ii) May 31, 2001 (the "Initial Period"), Parent will cause Surviving Corporation to provide employee benefit plans for eligible employees of the Company (i.e., employees who satisfy the eligibility requirements of the Company Plans as in effect

immediately prior to the date of this Agreement, and who continue to satisfy such eligibility requirements through the end of the Initial Period) that are not materially less favorable in the aggregate than the employee benefit plans provided to them as set forth on Schedule 3.8(a) of the Company Disclosure Statement on the date of this Agreement. With respect to any employee benefit plans established by Parent and made available by Parent to employees of the Company or any of its Subsidiaries, to the extent an employee of the Company or any of its Subsidiaries becomes eligible to participate in any such plans, Parent shall grant to such employee from and after the Closing Date, credit for all service with the Company and its Subsidiaries (and any other service credited by the Company under similar Company Plans) prior to the Closing Date for eligibility to participate and vesting purposes. Notwithstanding the preceding sentence, no employee of the Company or any of its Subsidiaries shall receive credit for service with the Company and its Subsidiaries prior to the Closing Date for purposes of eligibility for, or vesting of, profit sharing contributions under the Mestek, Inc. Savings & Retirement Plan. To the extent Parent employee benefit plans provide medical or dental welfare benefits and an employee of the Company or any of its Subsidiaries becomes eligible to participate in any such plans, such plans shall waive any preexisting conditions and actively at-work exclusions with respect to employees of the Company and any of its Subsidiaries (but only to the extent such employees were covered under corresponding Company Plans immediately prior to the date they became eligible for coverage under such Parent employee benefit plans) and shall provide that any expenses incurred on or before the Closing Date in the applicable plan year by or on behalf of such employees shall be taken into account under such Parent employee benefit plans for the purposes of satisfying applicable deductible, co-insurance and maximum out-of- pocket provisions for such employees.

(b) The Company may amend and/or take action with respect to its Stock Incentive Plans prior to the Closing Date to provide that upon the Merger, all options, stock appreciation rights or other awards granted under such plans and outstanding as of the Closing Date shall be fully vested, and in the case of stock options or stock appreciation rights, be immediately exercisable.

(c) Katie Michael (the "Agent") shall be appointed and constituted agent by the Company for and on behalf of the employees of the Company, to take all actions necessary or appropriate for the accomplishment and enforcement of Section 6.7 (a), for the time period stated therein, including but not limited to (i) giving and receiving notices and communications, (ii) negotiating and entering into agreements and settlements with the parties of this Agreement, and (iii) filing lawsuits to enforce Section 6.7(a), and enforcing and complying with any orders of courts. The Agent, as far as required to perform her duties hereunder, shall have reasonable access to information about the employee benefit plans provided to the employees of the Company, and the reasonable assistance of the parties to this Agreement with respect thereto; *provided, however*, that the Agent shall treat such information as confidential and not disclose any nonpublic information from or about the Company, Ultimate Parent, any of their Subsidiaries, any employee of the Company or any of its Subsidiaries, any employee benefit plan of the Company, Ultimate Parent or any of their Subsidiaries, any fiduciary of such employee benefit plans, or any insurance company under contract with the Company, Ultimate Parent or any of their Subsidiaries, to anyone (except on a need to know basis to his legal counsel and other individuals who agree in writing with the Company to treat such information as confidential). The Agent shall receive no compensation for her services, and shall not be personally liable to the parties of this Agreement or to any employee of the Company for any act done or omitted

hereunder as Agent while acting in good faith, and any act performed or omitted pursuant to the advice of counsel shall be conclusive evidence of good faith.

6.8 Preparation of Tax Returns and Payment of Taxes. The Company and its Subsidiaries shall prepare and timely file all Tax Returns and amendments thereto required to be filed by or with respect to them on or before the Closing Date. Parent shall have a reasonable opportunity to review all such Tax Returns and amendments thereto prior to filing. The Company and its Subsidiaries shall timely pay all Taxes shown to be payable on such Tax Returns.

6.9 Indemnification.

(a) From the Effective Time and for a period of six years after the Effective Time, Parent and Merger Sub shall jointly and severally (i) indemnify, defend and hold harmless the present and former officers, directors, employees and agents of the Company and its Subsidiaries and of Merger Sub (collectively, the "Indemnified Parties"), from and against, and pay or reimburse the Indemnified Parties for, all losses, obligations, expenses, claims, damages or liabilities resulting from third party claims (and involving claims by or in the right of the Company) and including interest, penalties, out-of-pockets expenses and attorneys' fees incurred in the investigation or defense of any of the same or in asserting any of their rights hereunder resulting from or arising out of actions or omissions of such Indemnified Parties occurring on or prior to the Effective Time (including, without limitation, the transactions contemplated by this Agreement) to the fullest extent permitted or required under (A) applicable law, (B) the certificate of incorporation or Bylaws of the Company or its applicable Subsidiary in effect on the date of this Agreement, including, without limitation, provisions relating to advances of expenses incurred in the defense of any action or suit, or (C) any indemnification agreement between the Indemnified Party and the Company or its Subsidiaries; and (ii) advance to any Indemnified Parties expenses incurred in defending any action or suit with respect to such matters, in each case to the extent such Indemnified Parties are entitled to indemnification or advancement of expenses under the Company's or its applicable Subsidiary's certificate of incorporation and Bylaws in effect on the date hereof and subject to the terms of such certificate of incorporation and Bylaws; provided, however, that in the event any claim or claims are asserted or made within such six-year period, all rights to indemnification in respect of each such claim shall continue until final disposition of such claim.

(b) Any Indemnified Party wishing to claim indemnification under Section 6.9(a) shall provide notice to Parent promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, and the Indemnified Party shall permit the Parent (at its expense) to assume the defense of any claim or any litigation resulting therefrom; provided, however, that (i) counsel for Parent who shall conduct the defense of such claim or litigation shall be reasonably satisfactory to the Indemnified Party and the Indemnified Party may participate in such defense at such Indemnified party's expense, and (ii) the omission by any Indemnified Party to give notice as provided herein shall not relieve Parent of its indemnification obligation under this Agreement, except to the extent that such omission results in a failure of actual notice to Parent, and Parent is actually prejudiced as a result of such failure to give notice. In the event that Parent does not accept the defense of any matter as above provided, or counsel

for the Indemnified Parties advises the Indemnified Parties in writing that there are issues that raise conflicts of interest between Parent and the Indemnified Parties, the Indemnified Parties may retain counsel satisfactory to them, and Parent shall pay all reasonable fees and expenses of such counsel for the Indemnified Parties promptly as statements therefor are received; provided, however, that Parent shall not be liable for any settlement effected without its prior written consent (which consent shall not be unreasonably withheld); provided, further, however, that Parent shall not be responsible for the fees and expenses of more than one counsel for all of the Indemnified Parties. In any event, Parent and the Indemnified Parties shall cooperate in the defense of any action or claim. Parent shall not, in the defense of any such claim or litigation, except with the consent of the Indemnified Party, consent to entry of any judgment or enter into any settlement that provides for injunctive or other nonmonetary relief affecting the Indemnified Party or that does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability with respect to such claim or litigation.

(c) This Section 6.9 is intended for the benefit of, and to grant third party rights to, persons entitled to indemnification under this Section 6.9, whether or not parties to this Agreement, and each of such persons shall be entitled to enforce the covenants contained in this Section 6.9.

(d) If Parent or Merger Sub, as the case may be, or any of their respective successors or assigns (i) reorganizes or consolidates with or merges into any other person and is not the resulting, continuing or surviving corporation or entity of such reorganization, consolidation or merger, or (ii) liquidates, dissolves or transfers all or substantially all of its properties and assets to any person or persons, then, and in such case, proper provision will be made so that the successors and assigns of Parent or Merger Sub assume all of the obligations of Parent or Merger Sub, as the case may be, as set forth in this Section 6.9.

6.10 Employment Agreements. During the period from the date of this Agreement to the Closing Date, the Company shall use its best efforts to assist Merger Sub to obtain employment agreements with James Heitt, to be effective as of the Effective Time and containing terms which are reasonably satisfactory to Merger Sub.

ARTICLE VII

CONDITIONS PRECEDENT TO PARENT'S AND MERGER SUB'S OBLIGATIONS

Parent and Merger Sub shall not be required to proceed on the Closing Date with the transactions contemplated by this Agreement unless the following conditions precedent shall have been fulfilled and satisfied, or shall have been waived in writing by Parent or Merger Sub:

7.1 Representations and Warranties. Each of the warranties and representations of the Company contained herein shall be true and correct as of the date of this Agreement, and shall also be true and correct as of the Closing Date as if then originally made (other than representations and warranties which address matters only as of a certain date which shall be true

and correct as of such certain date), except as affected by the transactions contemplated hereby and except where such failures would not, individually or in the aggregate have a Material Adverse Effect.

7.2 Covenants. The Company shall have complied with each of the covenants required of it on or prior to the Closing Date, except where such failures would not, individually or in the aggregate, have a Material Adverse Effect.

7.3 Board and Shareholder Approval. This Agreement and the Merger shall have been approved and adopted by the Board of Directors of the Company and by the necessary vote of holders of the capital stock of the Company.

7.4 Certificate. The Company shall have delivered to Parent and Merger Sub a certificate of its President and Chief Financial Officer, dated the date of the Closing Date, certifying, to the best of the knowledge and belief of such persons, that each of the warranties and representations of the Company contained herein are true and correct as of the Closing Date (other than representations and warranties which address matters only as of a certain date which shall be true and correct as of such certain date) except as affected by the transactions contemplated hereby and except where such failures would not, individually or in the aggregate, have a Material Adverse Effect, and that the Company shall have complied with each of the covenants required of it on or prior to the Closing Date, except where such failures would not, individually or in the aggregate, have a Material Adverse Effect.

7.5 Legal Opinion. The Company shall have delivered to Parent and Merger Sub a legal opinion, in substantially the form attached hereto as Exhibit A, from Shuttleworth & Ingersoll, P.L.C., Cedar Rapids, Iowa, counsel to the Company.

7.6 Material Adverse Change. There shall have been no change resulting in a Material Adverse Effect (or changes which in the aggregate result in a Material Adverse Effect) since the date hereof.

7.7 Bankruptcy. The Company shall not be the subject of a petition for reorganization or liquidation under the Federal bankruptcy laws, or under state or foreign insolvency laws, nor shall an assignment for the benefit of creditors or any similar protective proceeding or act or event of bankruptcy have occurred.

7.8 Employment Agreements. Merger Sub shall have obtained an employment agreement with James Heitt which has been duly executed by the employee and by Merger Sub and is effective as of the Closing Date.

7.9 Lawsuits. No action, suit or proceeding shall have been instituted before a court, arbitration panel or Governmental Authority, and no regulatory enforcement proceeding shall be pending before any governmental agency or Governmental Authority, with respect to the business or operations of the Company or its Subsidiaries or any products manufactured or services rendered by the Company or its Subsidiaries, except where such actions, suits or

proceedings would not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect.

7.10 No Injunctions or Restraints. No temporary restraining order, preliminary or permanent injunction or other order issued by a court or other Governmental Authority of competent jurisdiction shall be in effect and have the effect of making the Merger illegal or otherwise prohibiting consummation of the Merger.

7.11 HSR Act. Any waiting period (and any extension thereof) under the HSR Act applicable to the Merger shall have expired or been terminated.

7.12 Dissenters' Rights. Holders of more than 25% of the outstanding Shares shall not have perfected or otherwise provided written notice of their intention to perfect their dissenters' rights.

7.13 Market Condition. There shall not have occurred (i) any general suspension of trading in or limitation on prices for, securities on the Nasdaq Stock Market's National Market or Small Cap Market, the New York Stock Exchange or the American Stock Exchange (excluding any coordinated trading halt triggered solely as a result of a specified decrease in a market index), (ii) a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States or any state, or (iii) any material limitation (whether or not mandatory) by any United States or state Governmental Authority which would prohibit Parent's bank or other financial institution from lending funds to Parent for the purpose of consummating the Merger.

ARTICLE VIII

CONDITIONS PRECEDENT TO CLOSING BY THE COMPANY

The Company shall not be required to proceed at the Closing Date with the transactions contemplated by this Agreement unless the following conditions precedent shall have been fulfilled and satisfied, or shall have been waived in writing by the Company:

8.1 Representations and Warranties. Each of the representations and warranties of Parent and Merger Sub contained herein shall be true and correct as of the date of this Agreement and shall be true and correct as of the Closing Date as if then originally made (other than representations and warranties which address matters only as of a certain date which shall be true and correct as of such certain date), except as affected by the transactions contemplated hereby and except where such failure would not, individually or in the aggregate, have a Material Adverse Effect.

8.2 Covenants. Parent and Merger Sub shall have complied with each of the covenants required of them on or prior to the Closing Date, except where such failure would not, individually or in the aggregate, have a Material Adverse Effect.

8.3 Officers' Certificate. Parent and Merger Sub shall each have delivered to the Company a certificate of the Chief Executive Officer and Chief Financial Officer of Parent and Merger Sub, dated the date of the Closing Date, certifying, to the best of the knowledge and belief of such officers, that each of the warranties and representations of Parent and Merger Sub contained herein are true and correct as of the Closing Date (other than representations and warranties which address matters only as of a certain date which shall be true and correct as of such certain date), except as affected by the transactions contemplated hereby, and except where such failures would not, individually or in the aggregate, have a Material Adverse Effect and that Parent and Merger shall have complied with each of the covenants required of them on or prior to the Closing Date, except where such failures would not, individually or in the aggregate, have a Material Adverse Effect.

8.4 Legal Opinion. Parent and Merger Sub shall have delivered to the Company, a legal opinion as of the Closing Date, in substantially the form attached hereto as Exhibit B, from Baker & McKenzie, counsel to Parent and Merger Sub.

8.5 HSR Act. Any waiting period (and any extension thereof) under the HSR Act applicable to the Merger shall have expired or been terminated.

8.6 No Injunctions or Restraints. No temporary restraining order, preliminary or permanent injunction or other order issued by a court or other Governmental Authority of competent jurisdiction shall be in effect and have the effect of making the Merger illegal or otherwise prohibiting consummation of the Merger.

ARTICLE IX

TERMINATION

9.1 Termination by Mutual Consent. This Agreement may be terminated and the Merger may be abandoned at any time prior to the Closing Date, before or after the approval by stockholders, by the mutual written consent of Parent, Merger Sub and the Company.

9.2 Termination by Either Parent or the Company. This Agreement may be terminated (upon notice from the terminating party to the other parties) and the Merger may be abandoned by either Parent or the Company if:

(a) The Closing Date shall not have occurred by June 15, 2000 (the "Termination Date"); *provided that* the right to terminate this Agreement under this clause shall not be available to any party whose failure to fulfill any obligation under this Agreement has been the cause of or resulted in the failure of the Closing Date to occur on or before the Termination Date; *and provided further* that the Termination Date shall be June 29, 2000 if (i) any waiting period (and any extension thereof) under the HSR Act applicable to the Merger shall not have expired or been terminated by June 15, 2000, or (ii) the SEC shall have refused to allow the Company to file a definitive proxy statement with respect to the Merger by June 1, 2000.

(b) Any court of competent jurisdiction or Governmental Authority shall have issued an order, decree or ruling or taken any other action permanently restraining, enjoining or otherwise prohibiting the payment of the Merger Consideration for the Shares or the making of any Cash Payment pursuant to the Merger and such order, decree, ruling or other action shall have become final and nonappealable.

9.3 Termination by the Company. This Agreement may be terminated (upon notice to Parent) by the Company and the Merger may be abandoned by the Company if:

(a) Parent or Merger Sub breaches or fails to perform or comply with its covenants and agreements contained herein or breaches its representations and warranties in any material respect and such breach cannot or has not been cured within 15 days after the giving of written notice of such breach to Parent and Merger Sub, other than any breach which is not reasonably likely to result in a Material Adverse Effect; or

(b) the Board of Directors of the Company, after complying with all of the provisions of Section 6.2, accepts and enters into a definitive agreement with respect to a Superior Proposal.

9.4 Termination by Parent and Merger Sub. This Agreement may be terminated (upon notice to the Company) by Parent or Merger Sub, and the Merger may be abandoned by Parent or Merger Sub if:

(a) The Board of Directors of the Company shall have withdrawn or modified its approval or recommendation of this Agreement or the Merger;

(b) In the event of a breach by the Company of any representation, warranty, covenant or agreement contained in this Agreement which cannot or has not been cured prior to 15 days after the giving of written notice of such breach to the Company and has not been waived by Parent or Merger Sub pursuant to the provisions hereof, other than any breach which is not reasonably likely to result in a Material Adverse Effect; or

(c) Any parties (other than Parent or the Merger Sub) to any Stockholder Agreements whose signatories own of record or beneficially more than ten percent (10%) of the Common Stock of the Company issued and outstanding on the date of this Agreement shall have materially breached or repudiated any such agreements.

9.5 Effect of Termination and Abandonment. In the event of termination of this Agreement and abandonment of the Merger pursuant to this Article IX, no party hereto (or any of its directors or officers) shall have any liability or further obligation to any other party to this Agreement, except as provided in Section 9.6 and 10.1, except that nothing herein will relieve any party from liability for any breach of this Agreement.

9.6 Payment of Certain Fees upon Termination.

(a) (i) If either (A)(i) the Company receives a bona fide Acquisition Proposal at any time after the date of this Agreement and prior to the termination of this Agreement, (ii) this

Agreement terminates prior to the consummation of the Merger for any reason (other than a breach of this Agreement by Parent or Merger Sub), and (iii) by the date which is twelve (12) months after the date of termination of this Agreement, either (1) an Acquisition Proposal with a third party is consummated, or (2) the Company enters into an agreement for an Acquisition Proposal with a third party which is thereafter consummated, or (B) the Company terminates this Agreement pursuant to Section 9.3(b), then, in either event, the Company shall pay to Parent, by wire transfer of immediately available funds, within two days after the consummation of the Acquisition Proposal or Superior Proposal, as the case may be, a fee in the amount of One Million Two Hundred Seventy-Seven Thousand Dollars ($1,277,000).

(b) In the event of termination of this Agreement by Parent or Merger Sub pursuant to Section 9.4(b) or Section 9.4(c), then the Company shall reimburse Parent for its reasonable out-of-pocket expenses (including but not limited to expenses referenced in Section 10.1(i) and 10.1(ii)) actually incurred in connection with this Agreement and the transactions contemplated hereby, up to an aggregate amount of One Million Dollars ($1,000,000), which amount shall be payable by wire transfer of immediately available funds within three business days of written demand therefor, accompanied by a reasonable detailed statement of such expenses and appropriate supporting documentation therefor.

(c) In the event of termination of this Agreement by the Company pursuant to Section 9.3(a), then Parent shall reimburse the Company for its reasonable out-of-pocket expenses (including but not limited to expenses referenced in Section 10.1(i)) actually incurred in connection with this Agreement and the transactions contemplated hereby, up to an aggregate amount of One Million Dollars ($1,000,000), which amount shall be payable by wire transfer of immediately available funds within three business days of written demand therefor, accompanied by a reasonably detailed statement of such expenses and appropriate supporting documentation therefor.

ARTICLE X

MISCELLANEOUS AND GENERAL

10.1 Expenses. Each party shall bear its own expenses, including the fees and expenses of any attorneys, accountants, investment bankers, brokers, finders or other intermediaries or other Persons engaged by it, incurred in connection with this Agreement and the transactions contemplated hereby, except (i) the expenses incurred in connection with the printing, filing and mailing to stockholders of the Proxy Statement and the solicitation of stockholder approvals shall be shared equally by the Company and Parent, (ii) all filing fees incurred, or to be incurred, in connection with filings under the HSR Act and any other applicable antitrust laws and regulations shall be the sole responsibility of Parent, and (iii) as otherwise provided in Section 9.6.

10.2 Notices, Etc. All notices, requests, demands or other communications required by or otherwise with respect to this Agreement shall be in writing and shall be deemed to have been duly given to any party when delivered personally, when scheduled for delivery when sent by

courier service guaranteeing delivery by a specific date, when sent by telecopy and confirmed by return telecopy, or upon receipt after being mailed by first-class mail (or other class of mail), postage prepaid and return receipt requested in each case to the applicable addresses set forth below:

If to the Company:

Met-Coil Systems Corporation
5486 Sixth Street, SW
Cedar Rapids, IA 52404
Attn: James D. Heitt
President and Chief Operating Officer

Facsimile: (319) 362-0225

With a copy to:

Carroll Reasoner, Esq.
Shuttleworth & Ingersoll
115 Third Street SE, Suite 500
Cedar Rapids, IA 52406-2107

Facsimile: (319)-365-8725

If to Parent or Merger Sub:

Formtek, Inc.
260 North Elm Street
Westfield, MA 01085
Attn: Stephen Shea
Senior Vice President and Chief Financial Officer

Facsimile: (413) 568-7428

With a copy to:

Baker & McKenzie
815 Connecticut Ave, N.W.
Washington, DC 20006
Attn: Marc R. Paul, Esq.

Facsimile: (202) 452-7074

or to such other address as such party shall have designated by notice so given to each other party.

10.3 Amendments, Waivers, Etc. This Agreement may be amended, changed, supplemented, waived or otherwise modified only by an instrument in writing signed by the party against whom enforcement is sought; *provided that*, after the adoption of this Agreement by the stockholders of the Company, no such amendment, change, supplement or waiver shall be made without the further requisite approval of such stockholders if such amendment, change, supplement or waiver by law requires the further approval by such stockholders.

10.4 No Assignment. This Agreement shall be binding upon and shall inure to the benefit of and be enforceable by the parties and their respective successors and assigns; *provided that*, except as otherwise expressly set forth in this Agreement, neither the rights nor the obligations of any party may be assigned or delegated without the prior written consent of the other parties.

10.5 Entire Agreement. Except as otherwise provided herein, this Agreement (together with the Company Disclosure Statement, the Parent/Merger Sub Disclosure Statement, Exhibits, and the Confidentiality Agreement and the other agreements expressly contemplated hereby) embodies the entire agreement and understanding between the parties relating to the subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter. There are no representations, warranties or covenants by the parties hereto relating to such subject matter other than those expressly set forth in this Agreement (including the Company Disclosure Statement, the Parent/Merger Sub Disclosure Statement, Exhibits and the Confidentiality Agreement) and any writings expressly required hereby.

10.6 Specific Performance. The parties acknowledge that money damages are not an adequate remedy for violations of this Agreement and that any party may, in its sole discretion, apply to a court of competent jurisdiction for specific performance or injunctive or such other relief as such court may deem just and proper in order to enforce this Agreement or prevent any violation hereof and, to the extent permitted by applicable Law, each party waives any objection to the imposition of such relief.

10.7 Remedies Cumulative. All rights, powers and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise or beginning of the exercise of any thereof by any party shall not preclude the simultaneous or later exercise of any other such right, power or remedy by such party.

10.8 No Waiver. The failure of any party hereto to exercise any right, power or remedy provided under this Agreement or otherwise available in respect hereof at law or in equity, or to insist upon compliance by any other party hereto with its obligations hereunder, and any custom or practice of the parties at variance with the terms hereof, shall not constitute a waiver by such party of its right to exercise any such or other right, power or remedy or to demand such compliance.

10.9 No Third Party Beneficiaries. Except as otherwise provided in Section 6.7 (with respect to the Agent only) and Section 6.9, this Agreement is not intended to be for the benefit of and shall not be enforceable by any Person or entity who or which is not a party hereto.

10.10 Public Announcements. Parent and the Company will agree upon the timing and content of the initial press release to be issued describing the transactions contemplated by this Agreement, and will not make any public announcement thereof prior to reaching such agreement unless required to do so by applicable Law or regulation or NASDAQ or stock exchange requirement. To the extent reasonably requested by any other party, each party will thereafter consult with and provide reasonable cooperation to the others in connection with the issuance of further press releases or other public documents describing the transactions contemplated by this Agreement.

10.11 Governing Law. This Agreement and all disputes hereunder shall be governed by and construed and enforced in accordance with the internal laws of the State of Delaware, without regard to principles of conflict of laws.

10.12 Name, Captions, Etc. The names assigned this Agreement and the section captions used herein are for convenience of reference only and shall not affect the interpretation or construction hereof. Unless otherwise specified, (a) the terms "hereof", "herein" and similar terms refer to this Agreement as a whole and (b) references herein to Articles or Sections refer to articles or sections of this Agreement. Wherever appearing herein, the word "including" shall be deemed to be followed by the words "without limitation."

10.13 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies each signed by less than all, but together signed by all, the parties hereto.

10.14 Survival of Representations, Warranties, Covenants and Agreements. The respective representations and warranties of the Company contained herein or in any certificates or other documents delivered prior to or at the Closing Date shall terminate at the Effective Time. The respective representations and warranties of the Parent and Merger Sub contained herein or in any certificates or other documents delivered prior to or at the Closing Date shall terminate at the Effective Time. The respective covenants and agreements of the parties contained herein or in any other documents delivered prior to or at the Closing Date shall survive the execution and delivery of this Agreement and shall only terminate in accordance with their respective terms.

10.15 Severability. In case any provision in this Agreement shall be held invalid, illegal or unenforceable in a jurisdiction, such provision shall be modified or deleted, as to the jurisdiction involved, only to the extent necessary to render the same valid, legal and enforceable, and the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby nor shall the validity, legality or enforceability of such provision be affected thereby in any other jurisdiction.

10.16 Disclosure Statements. The parties acknowledge that the disclosures contained in the Company Disclosure Statement and Parent/Merger Sub Disclosure Statement to this Agreement (i) relate to certain matters concerning the disclosures required and transactions contemplated by this Agreement, (ii) are qualified in their entirety by reference to specific provisions of this Agreement, and (iii) are not intended to constitute and shall not be construed as indicating that such matter is required to be disclosed, nor shall such disclosure be construed as an admission that such information is material with respect to the Company, Parent or Merger Sub, as the case may be, except to the extent required by this Agreement.

10.17 Waiver.

(a) Any of the parties may:

(i) Extend in writing the time for the performance of any of the obligations herein contained to be performed for the benefit of such party;

(ii) Waive in writing any inaccuracies in the representations and warranties made to it contained in this Agreement or any Exhibit or Company Disclosure Statement or Parent/Merger Sub Disclosure Statement or any certificate or certificates delivered by another party to this Agreement;

(iii) Waive in writing the failure in performance of any of the conditions herein expressed for its benefit; and

(iv) Waive in writing compliance with any of the covenants herein contained for its benefit.

(b) No such waiver or extension shall be valid unless in writing and signed by the party granting the waiver or extension, and no such waiver or extension shall be construed to excuse or mitigate any subsequent breach or violation of this Agreement not specifically covered by such waiver.

ARTICLE XI

DEFINITIONS

As used in this Agreement, the following terms shall have the respective meanings set forth below:

"Acquisition Proposal": As defined in Section 6.2(a).

"Affiliate": As defined in Rule 12b-2 under the Exchange Act.

"Agent": As defined in Section 6.7(c).

"Agreement": As defined in the preamble hereto.

"Authorization": Any consent, approval or authorization of, expiration or termination of any waiting period requirement (including pursuant to the HSR Act) by, or filing, registration, qualification, declaration or designation with, any Governmental Authority.

"Bylaws": In respect of any Person, the bylaws of such Person.

"Cash Payment": As defined in Section 2.2(a).

"Certificate of Merger": The certificate of merger with respect to the merger of the Company with and into Merger Sub, containing the provisions required by, and executed in accordance with, Section 251 of the DGCL.

"Closing": As specified in Section 1.2.

"Closing Date": As defined in Section 1.2.

"Code": The Internal Revenue Code of 1986, as amended, and all regulations promulgated thereunder, as in effect from time to time.

"Common Stock": The Company's common stock, par value $0.01 per share.

"Company": Met-Coil Systems Corporation, a Delaware corporation.

"Company Certificates": As defined in Section 2.3.

"Company Charter": The Certificate of Incorporation of the Company, as amended to the date hereof and as it may be further amended prior to the Closing Date with the consent of Parent pursuant to Section 6.1.

"Company Disclosure Statement": The disclosure statement, dated the date of this Agreement, delivered by the Company to Parent.

"Company Multiemployer Plan" means all Multiemployer Plans to which the Company or an ERISA Affiliate of the Company contributes or has contributed, or in which the Company or an ERISA Affiliate of the Company otherwise participates or has participated.

"Company Other Benefit Obligation" means an Other Benefit Obligation owed, adopted, or followed by the Company or an ERISA Affiliate of the Company.

"Company Plan" means all Plans, other than Multiemployer Plans, of which the Company or an ERISA Affiliate of the Company is or was a Plan Sponsor, or to which the Company or an ERISA Affiliate of the Company otherwise contributes or has contributed, or in which the Company or an ERISA Affiliate of the Company otherwise participates or has participated. All references to Plans are to Company Plans unless the context requires otherwise.

"Company SEC Reports": As defined in Section 3.11.

"Company Stockholders' Meeting": As defined in Section 6.4.

"Confidentiality Agreement": That certain Confidentiality Agreement dated July 21, 1999 between the Company and Ultimate Parent.

"Control": With respect to any Person, the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract, or otherwise.

"DGCL": The Delaware General Corporation Law.

"Dissenting Shares": As defined in Section 2.5.

"Dissenting Stockholder": As defined in Section 2.5.

"Effective Time": As defined in Section 1.2.

"Environmental, Health, and Safety Liabilities": Any cost, damages, attorneys' fees, expense, liability, obligation, or other responsibility arising from or under Environmental Laws and consisting of or relating to:

(a) any environmental, health, or safety matters or conditions including on-site or off-site contamination, occupational safety and health, and regulation of Hazardous Substances;

(b) any events, facts, conditions or circumstances which may give rise to common law or other legal liability, or otherwise form the basis of any fines, penalties, judgments, awards, settlements, suits, notices of violation, legal or administrative proceedings, damages, losses, claims, demands and response, investigative, remedial, or inspection costs and expenses;

(c) financial responsibility under Environmental Laws for cleanup costs or corrective action, including any investigation, cleanup, removal, containment, or other remediation or response actions ("Cleanup") required by applicable Environmental Laws (whether or not such Cleanup has been required or requested by any Governmental Authority or any other Person) and for any natural resource damages; or

(d) any other compliance, corrective, investigative, response, removal or remedial measures required under Environmental Laws.

The terms "removal," "remedial," and "response action," include the types of activities covered by the United States Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq., as amended ("CERCLA"), or equivalent state "Superfund" laws, and include removal, remedial and investigatory activities under federal, state, or local voluntary site remediation programs.

"Environmental Laws": As defined in Section 3.23.

"ERISA Affiliate" means, with respect to the Company, any other person that, together with the Company, would be treated as a single employer under Code Section 414.

"ERISA": The Employee Retirement Income Security Act of 1974, as amended, and all regulations promulgated thereunder, as in effect from time to time.

"Exchange Act": The Securities Exchange Act of 1934, as amended.

"Executive Agreements": As defined in Section 6.7.

"Governmental Authority": Any

(a) nation, state, county, city, town, village, district, or other jurisdiction of any nature;

(b) federal, state, local, municipal, foreign, or other government;

(c) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official, or entity and any court or other tribunal);

(d) multi-national organization or body; or

(e) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power of any nature.

"Hazardous Substances": As defined in Section 3.23.

"HSR Act": The Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"Initial Period": As defined in Section 6.7(a).

"Intellectual Property": As defined in Section 3.10.

"Knowledge of the Company", "to the Company's knowledge" and words of similar import shall mean the actual knowledge of Raymond Blakeman, James Heitt, Gary Dickerson, Rian Sheel, Randall Stodola, J.R. Svehla, John Toben or John Welty.

"Law": Any foreign or domestic law, statute, code, ordinance, rule, regulation promulgated, or order, judgment, writ, stipulation, award, injunction or decree entered by any Governmental Authority.

"Lien": As defined in Section 3.16.

"Material Adverse Effect": In respect of any Person, a material adverse effect on the business, properties, assets, liabilities, operations, results of operations or condition (financial or otherwise) of such Person and its Subsidiaries taken as a whole, or which would prevent the consummation of the transactions contemplated by this Agreement on the terms and conditions contained herein.

"Material Contracts": As defined in Section 3.17.

"Material Systems": As defined in Section 3.21.

"Merger": As defined in the recitals hereto.

"Merger Consideration": As defined in Section 2.1.

"Merger Sub": Formtek Acquisition, Inc., a Delaware corporation.

"Merger Sub Common Stock": Merger Sub's common stock, par value $0.01 per share.

"Multiemployer Plan" has the meaning given in ERISA Section 3(37)(A).

"NASDAQ": The Nasdaq Stock Market, National Market System.

"Options": Options to purchase Shares.

"Other Benefit Obligation" means all obligations, arrangements, or customary practices, whether or not legally enforceable, to provide benefits, other than salary, as compensation for services rendered, to present or former directors, employees, or agents, other than obligations, arrangements, and practices that are Plans or Multiemployer Plans. Other Benefit Obligations include consulting agreements under which the compensation paid does not depend upon the amount of service rendered, sabbatical policies, severance payment policies, and fringe benefits within the meaning of Code Section 132.

"Parent": Formtek, Inc., a Delaware corporation.

"Parent/Merger Sub Disclosure Statement": The disclosure statement, dated the date hereof, delivered by Parent and Merger Sub to the Company.

"Parent Representatives": As defined in Section 6.6.

"Paying Agent": As defined in Section 2.3.

"Payment Fund": As defined in Section 2.3.

"PBGC" means the Pension Benefit Guaranty Corporation, or any successor thereto.

"Pension Plan" has the meaning given in ERISA Section 3(2)(A).

"Permitted Investments": As defined in Section 2.3.

"Permitted Liens": As defined in Section 3.16.

"Person": Any individual or corporation, company, partnership, trust, incorporated or unincorporated association, limited liability company, joint venture or other entity of any kind.

"Plan" has the meaning given in ERISA Section 3(3).

"Plan Sponsor" has the meaning given in ERISA Section 3(16)(B).

"Preferred Shares": The Company's Cumulative Preferred Shares, par value $1.00 per share.

"Property": As defined in Section 3.23.

"PCBs": As defined in Section 3.23.

"Proxy Statement": As defined in Section 3.15.

"Qualified Plan" means any Plan that meets or purports to meet the requirements of Code Section 401(a).

"Relevant Date": As defined in Section 3.21.

"SEC": The Securities and Exchange Commission.

"Securities Act": The Securities Act of 1933, as amended.

"Shares": Shares of common stock of the Company, par value $0.01 per share.

"Stockholder Agreements": As defined in the recitals hereof.

"Stock Incentive Plans": As defined in Section 2.2(b).

"Subsidiary": As to any Person, any other Person of which more than (i) 50% of the equity and (ii) 50% of the voting interests are owned, directly or indirectly, by such first Person. For the avoidance of doubt, the term "Subsidiary", when applied to the Company, includes any Person listed as a Subsidiary on Schedule 3.2 to the Company Disclosure Statement.

"Superior Proposal": As defined in Section 6.2.

"Surviving Corporation": Shall mean the Merger Sub in its capacity as the surviving corporation in the Merger pursuant to Section 1.1 of this Agreement.

"Tax": As defined in Section 3.9.

"Tax Controversy": As defined in Section 3.9.

"Tax Return": As defined in Section 3.9.

"Termination Date": As defined in Section 9.2.

"Title IV Plans" means all Pension Plans that are subject to Title IV of ERISA other than Multiemployer Plans.

"Ultimate Parent": Mestek, Inc., a Pennsylvania corporation.

"VEBA" means a voluntary employees' beneficiary association under Code Section 501(c)(9).

"Voting Debt": As defined in Section 3.4(a).

"Warrants": Warrants to purchase Shares.

"Welfare Plan" has the meaning given in ERISA Section 3(1).

"Wholly Owned Subsidiary": As to any Person, a Subsidiary of such Person 100% of the equity and voting interest in which (other than directors' qualifying shares) is owned, directly or indirectly, by such Person.

"Year 2000 Compliant": As defined in Section 3.21.

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties set forth below.

FORMTEK, INC.

By: _____

Name: STEPHEN M. SHEA

Title: Sr. Vice President - Finance

FORMTEK ACQUISITION, INC.

By: _____

Name: Stephen M. Shea

Title: Sr. Vice President

MET-COIL SYSTEMS CORPORATION

By: Raymond H. Blakeman

Name:

Title:

In order to induce the Company to execute this Agreement, Ultimate Parent hereby jointly and severally unconditionally guarantees to the Company the full and timely performance of all of the obligations and agreements of Parent and Merger Sub in accordance with the terms hereof. The Company may, at its option, proceed against Ultimate Parent for the performance of any such obligation or agreement, or for damages for default in the performance thereof, without first proceeding against Parent or Merger Sub or against any of their properties. Ultimate Parent further agrees that its guarantee shall be an irrevocable guarantee and shall continue in effect notwithstanding any extension or modification of any guaranteed obligation, any assumption of any such guaranteed obligation by any other party, or any other act or thing which might otherwise operate as a legal or equitable discharge of a guarantor and Ultimate Parent hereby waives all special suretyship defenses and notice requirements. Ultimate Parent represents and warrants to the Company that (i) Ultimate Parent is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation; (ii) Ultimate Parent has full corporate power and authority to enter into, execute, deliver and perform its

obligations under this Agreement, (iii) this Agreement has been duly executed and delivered by a duly authorized officer of Ultimate Parent and (assuming the due execution and delivery of this Agreement by the other parties hereto other than Merger Sub and Parent) constitutes a valid and binding agreement of the Ultimate Parent, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other similar laws affecting the rights of creditors generally and except that the remedies of specific performance, injunction and other forms of equitable relief may not be available, and (iv) neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will conflict with or violate any provision of the Articles of Incorporation or Bylaws of Ultimate Parent or conflict with or violate any law, rule, regulation, ordinance, order, writ, injunction, judgment or decree applicable to Ultimate Parent or its business or by which any of its assets are affected, except to the extent any such conflict or violation would not have a Material Adverse Effect.

MESTEK, INC.

By: _____

Name: Stephen M. Shea

Title: Sr. Vice President - Finance