SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D
Under the Securities Exchange Act of 1934(1)
(Amendment No.)

LABORATORY CORPORATION OF AMERICA HOLDINGS
(formerly National Health Laboratories Holdings Inc.)

(Name of Issuer)

Common Stock,
$0.01 Par Value

(Title of Class of Securities)

5054OR 10 2

(CUSIP Number)

Peter R. Douglas, Esq.
Davis Polk & Wardwell
450 Lexington Avenue
New York, NY 10017
Tel. No.: (212) 450-4000

(Name, Address and Telephone Number of Person Authorized
to Receive Notices and Communications)

April 28, 1995

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box .

Check the following box if a fee is being paid with this statement. (A fee is not required only if the reporting person: (1) has a previous statement on file reporting beneficial ownership of more than five percent of the class of securities described in Item 1; and (2) has filed no amendment subsequent thereto reporting beneficial ownership of less than five percent of such class.) (See Rule 13d-7.)

Note: Six copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) for other parties to whom copies are to be sent.

(Continued on following pages)

(1) The remainder of this cover page should be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

(1) Names of Reporting Persons
S.S. or I.R.S. Identification Nos. of Above Persons

Roche Holdings, Inc.
51-0304944

(2)	Check the Appropriate Box if a Member of a Group		(a) (b)
(3)	SEC Use Only		
(4)	Source of Funds WC		
(5)	Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)		
(6)	Citizenship or Place of Organization Delaware, United States of America		
Number of Shares Beneficially Owned by Each Reporting Person with	(7) Sole Voting Power	61,329,256 shares of Common Stock*	
	(8) Shared Voting Power	0 shares	
	(9) Sole Dispositive Power	61,329,256 shares of Common Stock*	
	(10) Shared Dispositive Power	0 shares	
	*See response to Item 5 below.		
(11)	Aggregate Amount Beneficially Owned by Each Reporting Person 61,329,256 shares Common Stock		
(12)	Check if the Aggregate Amount in Row (11) Excludes Certain Shares		
(13)	Percent of Class Represented by Amount in Row (11) 49.9% of Common Stock		
(14)	Type of Reporting Person (See Instructions) CO, HC		

Item 1. Security and Issuer.

This statement relates to the Common Stock, par value $0.01 per share (the "Common Stock"), of Laboratory Corporation of America Holdings (formerly named National Health Laboratories Holdings Inc.), a Delaware corporation (the "Company").

The address of the principal executive office of the Company is 358 South Main Street, Burlington, North Carolina 27215.

Item 2. Identity and Background.

This statement is being filed on behalf of Roche Holdings, Inc., a Delaware corporation ("Holdings") and a wholly-owned subsidiary of Roche Finance Ltd, a Swiss corporation ("Finance") which is in turn a wholly owned subsidiary of Roche Holding Ltd, a Swiss corporation ("Roche Holding"). Dr. h.c. Paul Sacher, an individual and citizen of Switzerland ("Dr. Sacher") has, pursuant to an agreement, the power to vote a majority of the voting securities of Roche Holding. Holdings owns all of the outstanding stock of Hoffmann-La Roche Inc., a New Jersey corporation, ("Roche"), which in turn owns all of the outstanding stock of HLR Holdings Inc., a Delaware corporation ("HLR"). HLR, Roche, Holdings, Finance, Roche Holding and Dr. Sacher are referred to collectively herein as the "Reporting Persons".

HLR operates solely as a holding company for the diagnostics and certain other subsidiaries of Roche. HLR was incorporated on November 30, 1989. The address of the principal office of HLR is 1403 Foulk Road, Suite 102, P.O. Box 8985, Wilmington, Delaware 19899.

Roche is one of several United States operating subsidiaries of Holdings. In addition to the business units operated by subsidiaries held through HLR, Roche's principal business units also include Roche Pharmaceuticals and Roche Vitamins and Fine Chemicals. Roche was incorporated in 1928. The address of the principal office of Roche is 340 Kingsland Street, Nutley, New Jersey 07110.

Through its subsidiaries, Holdings has been active in the United States since 1905 and has more than 16,000 employees and substantial research and manufacturing facilities in this country. In addition to the business units operated through Roche, Holdings is also engaged in the biotechnology business through Genentech, Inc., a Delaware corporation and approximately 65% owned subsidiary of Holdings, the flavors and fragrances business through Givaudan-Roure Corporation, a New Jersey corporation and wholly-owned subsidiary of Holdings, and the pharmaceutical product business through Syntex (U.S.A.) Inc., a Delaware corporation and wholly-owned subsidiary of Holdings. Holdings was organized in Delaware in 1987 to act as a holding company for substantially all of Roche Holding's United States operations. The address of the principal office of Holdings is 15 East North Street, Dover, Delaware 19901.

Finance is a holding company having participations in various subsidiaries of Roche Holding. Finance was incorporated in 1971 in Basel, Switzerland, under the name Roche Chemie AG and assumed its present name in July 1989. The address of the principal office of Finance is Grenzacherstrasse 124, 4002 Basel, Switzerland.

Roche Holding is the parent company of an international health care concern operating in more than 100 countries and employing approximately 60,000 people worldwide. Roche Holding assumed its present name in June 1989 following a restructuring which established Roche Holding solely as a holding company and transferred operating businesses and related assets and liabilities to a newly established operating subsidiary, F. Hoffmann-La Roche Ltd.

Roche Holding, including through its subsidiaries (collectively, the "Roche Group"), engages primarily in the development and manufacture of pharmaceuticals, vitamins and fine chemicals, diagnostics, flavors and fragrances and in the business of analytical laboratory services. The Roche Group is one of the world's leading research-based health care groups active in the discovery, development, manufacture and marketing of pharmaceuticals and diagnostic systems. The Roche Group is also one of the world's largest producers of vitamins and carotenoids and of fragrances and flavors. Roche Holding was incorporated in 1896 in Basel, Switzerland, under the name F. Hoffmann-La Roche and Co. The address of the principal office of Roche Holding is Grenzacherstrasse 124, 4002 Basel, Switzerland.

Dr. Sacher is a director of Holding and an orchestral conductor. The business address of Dr. Sacher is Haus auf Burg, Muensterplatz 4, 4051 Basel, Switzerland.

The executive officers and directors of HLR, Roche, Holdings, Finance and Roche Holding are listed on Schedules A, B, C, D and E, respectively, attached hereto and incorporated by reference herein.

None of the Reporting Persons nor any other person controlling any of the Reporting Persons, nor, to the best knowledge of the Reporting Persons, any of the persons named in Schedules A, B, C, D and E attached hereto has, during the last five years, been convicted in any criminal proceeding (excluding traffic violations or similar misdemeanors). None of the Reporting Persons nor any other person controlling any of the Reporting Persons, nor, to the best knowledge of the Reporting Persons, any of the persons named in Schedules A, B, C, D and E attached hereto has, during the last five years, been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, order, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, Federal or State securities laws or finding any violations with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration.

Pursuant to the Merger Agreement described in Item 4 below, at the Effective Time (as defined in Item 4 below) HLR received 49,008,538 shares of Common Stock and (in accordance with an agency agreement with HLR) Holdings received 12,320,718 shares of Common Stock. The total of 61,329,256 shares of

Common Stock acquired by the Reporting Persons collectively (the "Roche Shares") represents, in the aggregate, approximately 49.9% of the outstanding Common Stock, based upon the Company's estimate of the number of outstanding shares as of April 28, 1995, immediately after the Merger (as described in Item 4 below). The Roche Shares were issued pursuant to the Merger Agreement through (i) a conversion of all of the outstanding shares of common stock, no par value per share, of Roche Biomedical Laboratories, Inc. ("RBL"), a New Jersey corporation which, prior to the Merger, was a wholly-owned subsidiary of HLR, into Common Stock at the Effective Time and (ii) the payment by HLR (with funds provided by Holdings pursuant to an agency agreement as referred to below) of an aggregate of $135,651,100 (the "HLR Cash Consideration"). The HLR Cash Consideration was financed from working capital of Holdings (including funds from general purpose financing obtained by Holdings) and paid by HLR on behalf of Holdings pursuant to an agency agreement dated as of April 27, 1995.

In addition, pursuant to the Merger Agreement, on April 28, 1995, the effective date of the Merger (the "Effective Date") Roche purchased from the Company, for an aggregate purchase price of $51,048,900 (the "Roche Warrant Consideration"), 8,325,000 warrants to purchase shares of Common Stock (the "Roche Warrants"). The principal terms of such Roche Warrants are set forth in the Warrant Agreement described in Item 4 below. The Roche Warrant Consideration was financed from working capital of Roche (including funds provided from general purpose financing obtained by Roche).

Item 4. Purpose of Transaction.

The acquisition of the Common Stock, including the Roche Shares, and the Roche Warrants referred to in Item 3 above was made pursuant to an Agreement and Plan of Merger dated as of December 13, 1994 among the Company, HLR, RBL and (for the purposes stated therein) Roche (the "Merger Agreement"). The Merger Agreement provided that, following the approval and adoption of the Merger Agreement by the stockholders of the Company and the satisfaction or waiver of the other conditions to the Merger (i) RBL would be merged with and into the Company (with the Company being the surviving corporation) (the "Merger"), (ii) each outstanding share of Common Stock (other than shares of Common Stock owned by RBL or HLR and other than certain shares of Common Stock owned by stockholders who properly exercise their appraisal rights under Delaware law) would be converted into (A) 0.72 of a share of Common stock and (B) the right to receive $5.60 in cash, without interest (the "Cash Consideration"), and (iii) all shares of common stock, no par value, of RBL outstanding immediately prior to the Effective Time (other than treasury shares, which would be cancelled) would be converted into, and become, that number of newly issued shares of Common Stock as would, in the aggregate and after giving effect to the Merger and the Common Stock owned by HLR and RBL and their subsidiaries immediately prior to the Effective Time, equal 49.9% of the total number of shares of Common Stock outstanding immediately after the Effective Time (after giving effect to the issuance of Common Stock in respect of certain Company employee stock options in connection with the Merger, as described in the Merger Agreement). A copy of the Merger Agreement is attached as Exhibit 1 hereto and is hereby incorporated herein by reference, and the description herein of the terms of such agreement is qualified in its entirety by reference to such Exhibit.

On April 28, 1995, at a special meeting of stockholders of the Company, the Company's stockholders voted to approve and adopt the Merger Agreement and to amend the Company's certificate of incorporation to change the name of the Company from National Health Laboratories Holdings Inc. to Laboratory Corporation of America Holdings. Later on the Effective Date, a certificate of merger was filed with each of the Secretary of State of the State of Delaware and the Secretary of the State of the State of New Jersey, and the Merger was consummated (the "Effective Time"), and the Roche Shares and the Roche Warrants were issued to the Reporting Persons as referred to in Item 3 above.

In connection with the Merger, the Company declared a dividend, payable to holders of record of shares of the Company Common Stock as of April 21, 1995, which dividend consisted of 0.16308 of a warrant per outstanding share of Common Stock, each such warrant (a "Warrant" and, together with the Roche Warrants, the "Warrants") representing the right to purchase one newly issued share of Common Stock for $22.00 (subject to adjustments as provided in the Warrant Agreement) on April 28, 2000 (the "Expiration Date"). In addition, pursuant to the Merger Agreement, on April 28, 1995 Roche purchased and was issued the Roche Warrants for the Roche Warrant Consideration. The terms of the Warrants (including the Roche Warrants) are set forth in the Warrant Agreement (the "Warrant Agreement") dated as of April 10, 1995, between the Company and American Stock Transfer & Trust Company (the "Warrant Agent"). Pursuant to the Warrant Agreement, the Company has the right, exercisable by notice at least 60 but not more than 90 days prior to the

Expiration Date, to redeem the Warrants on the Expiration Date for a cash redemption price per Warrant equal to the average closing price of the shares of the Common Stock over a specified period prior to the Expiration Date minus the exercise price of $22.00 per share (subject to adjustments). A copy of the Warrant Agreement is attached as Exhibit 2 hereto and is hereby incorporated herein by reference, and the description herein of the terms of such agreement is qualified in its entirety by reference to such Exhibit.

In connection with the Merger, the Company, HLR, Roche and Holdings entered into a stockholder agreement dated as of April 28, 1995 (the "Stockholder Agreement") which sets forth, among other things, certain agreements and understandings regarding the governance of the Company following the Merger, including but not limited to the composition of the Board of Directors. The Stockholder Agreement also contains certain provisions relating to the issuance, sale and transfer of the Company's Equity Securities (as defined in the Stockholder Agreement) by the Company, HLR and Holdings (for the purposes of the Stockholder Agreement, HLR and Holdings are collectively referred to herein as the "Investor"), the acquisition of additional Equity Securities of the Company by the Investor and the registration rights granted by the Company to the Investor and its affiliates (other than the Company and its subsidiaries) (the "Investor Group") with respect to the Company's Equity Securities, which provisions are described under Item 6 below and which description is incorporated herein by reference. A copy of the Stockholder Agreement is attached as Exhibit 3 hereto and is hereby incorporated herein by reference, and the description herein of the terms of such agreement is qualified in its entirety by reference to such Exhibit.

Pursuant to the Stockholder Agreement (subject to the exceptions provided therein), for a period of one year after the Effective Date (the "Initial Period") the Board of Directors of the Company will be comprised of seven members, consisting of James R. Maher, three designees of the Investor (each an "Investor Director"), who are Jean-Luc Belingard (the Director General, Diagnostics Division and Executive Committee Member of F. Hoffmann-La Roche Ltd), Thomas P. Mac Mahon (a Senior Vice President of Roche and the President of Roche Diagnostics Group) and Dr. James B. Powell (former President of RBL who is the President and Chief Executive Officer of the Company), and three Independent Directors (as defined in the Stockholder Agreement, which provides in general that such persons shall not be officers, employees or affiliates of the Company or the Investor). The Stockholder Agreement provides that these Independent Directors were required to be mutually acceptable to a majority of the members of the Company's Board of Directors in office immediately prior to the Effective Time and to the Investor. Following the Initial Period, the Board of Directors of the Company will (subject to specified exceptions described in the Stockholder Agreement) be comprised of seven members, consisting of three Investor Directors and four Independent Directors selected by the Nominating Committee of the Board of Directors. Consistent with the Stockholder Agreement, Mr. Maher has been elected by the Board of Directors to serve as the Chairman of the Board of the Company and Mr. Mac Mahon has been elected to serve as the Vice Chairman of the Board of the Company for the Initial Period.

The Stockholder Agreement provides that, if the percentage (the "Investor Group Interest") of the aggregate number of votes entitled to be voted in an election of directors of the Company by all outstanding securities having the right to vote generally in any election of Directors of the Company ("Total Voting Power") that is controlled directly or indirectly by the Investor Group is less than 30% but at least 20%, the Investor will have the right to designate for nomination two Investor Directors, and if the Investor Group Interest is less than 20% but at least 10%, the Investor will have the right to designate for nomination one Investor Director.

The Stockholder Agreement provides that the Board of Directors of the Company will establish, empower, maintain and elect the members of the following committees of the Board of Directors: (i) an Audit Committee, comprised solely of Independent Directors, (ii) a Nominating Committee, which will be comprised of one Investor Director (designated by the majority of Investor Directors), and two Independent Directors (designated by the majority of Independent Directors), (iii) an Employee Benefits Committee, comprised of Investor Directors and Independent Directors (with the Independent Directors constituting a majority) and (iv) such other committees as the Board of Directors deems necessary or desirable to establish, empower and maintain, provided that such committees are approved by a majority of the Board of Directors, which majority includes approval by a majority of the Investor Directors and at least one Independent Director (a "Special Majority of the Board").

Except as otherwise provided in the Stockholder Agreement or as agreed by a majority of the Independent Directors and the Investor Directors, the number of Investor Directors serving on each committee of the Board of Directors will be the same proportion of the total membership of such

committee as the number of Investor Directors is of the entire Board of Directors, with a minimum of one member so long as the Investor is entitled under the Stockholder Agreement to designate one Investor Director. Notwithstanding the previous sentence, if the Investor Group Interest is less than 30% but more than 20%, the number of Investor Directors serving on each committee of the Board of Directors (other than the Audit Committee) will be two, if such committee has five or more total members, or one, in all other cases. If the Investor Group interest is less than 20% but more than 10%, the number of Investor Directors serving on each committee of the Board of Directors (other than the Audit Committee) will be one.

The Stockholder Agreement provides that, so long as the Investor Group Interest is 30% or more, no action by the Company or any of its subsidiaries will be taken with respect to any of the following matters without the approval of a Special Majority of the Board: (i) the appointment of any of the Chairman of the Board, Chief Executive Officer, President, Secretary, Treasurer, Chief Administration Officer, General Counsel, Chief Financial Officer or Chief Operating Officer or other executive officer in any similar capacity of the Company or any of its subsidiaries, (ii) the approval of Strategic Plans and Annual Operating Plans (referred to below), (iii) any merger or consolidation of the Company or any of its subsidiaries with or into any Person (as defined in the Stockholder Agreement) other than the Company or any of its subsidiaries, (iv) any amendment to the certificate of incorporation or the bylaws of the Company or any adoption of, or amendment to, the certificate of incorporation or the bylaws of any subsidiary of the Company, (v) any acquisition of assets, business, operations or securities by the Company or any of its subsidiaries by merger or otherwise (whether in one transaction or a series of related transactions) which assets, business, operations or securities would constitute more than 10% of the fair market value of the total assets of the Company and its subsidiaries as of the end of the most recent fiscal quarter ending prior to such transaction (a "Substantial Part" of the Company), (vi) any sale, asset exchange, lease, exchange, mortgage, pledge, transfer or other disposition by merger or otherwise by the Company or any of its subsidiaries (in one transaction or a series of related transactions) of any of the subsidiaries or assets of the Company or any of its subsidiaries which constitutes a Substantial Part of the Company, (vii) the settling of any litigation, investigation or proceeding involving any governmental authority or where the amount to be paid in settlement is in excess of $5,000,000, (viii) any material transaction between the Company or any of its subsidiaries, on the one hand, and any stockholder or affiliate of the Company (other than any subsidiary of the Company and other than the Investor and its affiliates), on the other hand (other than as specifically contemplated by the Sharing and Call Option Agreement (as described in Item 6 below), (ix) the issuance of any security of the Company or of any security of any subsidiary of the Company (other than as specifically contemplated by the Merger Agreement, the Warrants or existing employee stock options), (x) any capital expenditures individually in excess of $1,000,000 or in the aggregate in excess of $50,000,000 per annum or which represent in the aggregate 110% or more of the total amount provided for in certain plans for such year, (xi) any reclassification, recombination, split, subdivision or redemption, purchase or other acquisition, directly or indirectly, of any debt or Equity Securities (as defined in Item 6 below) or other capital stock of the Company, except as provided in the Merger Agreement and the Warrants, (xii) any change in the size or composition of the Board of Directors, any committee thereof or the Management Committee (established in accordance with the Stockholder Agreement) or any establishment of a new committee of the Board, (xiii) any incurrence, assumption or issuance by the Company or any of its subsidiaries of indebtedness other than indebtedness existing immediately after the Effective Time and any refinancings thereof and other indebtedness in an aggregate principal amount at any one time outstanding not to exceed $25,000,000, (xiv) any declaration of any dividend or any making of any other distribution with respect to, or any redemption, repurchase or other acquisition of, any class of securities of the Company or any of its subsidiaries, except as expressly otherwise provided in the Merger Agreement or pursuant to the Warrants, (xv) any proposal, or entry into, by the Company or any of its subsidiaries of any Discriminatory Transaction (as defined in the Stockholder Agreement), (xvi) any relocation of the headquarters of the Company, (xvii) any determination of compensation, benefits, perquisites and other incentives for executive officers (other than officers whose total compensation including employee stock options and similar incentives does not exceed $150,000 annually) and any approval or amendment of any plans or contracts in connection therewith, (xviii) any adoption or implementation of any takeover defense measures, including the institution, amendment or redemption by the Company or any of its subsidiaries of any stockholder rights plan or similar plan or device, or any change of control matters, (xix) any transaction involving, or any action by, the Company or any of its subsidiaries (A) leading to a circumstance in which any Person or 13D Group (as defined in the Stockholder Agreement) representing a percentage of Total Voting Power or any equity interest in the Company greater than 15% or (B) requiring the approval of holders of a majority of the securities having the right to vote generally in any election of Directors of the Company or

Equity Securities and (xx) any change in the fiscal year or the accounting or tax principles, or policies with respect to the financial statements, records or affairs of the Company or any of its subsidiaries, except as required by GAAP (as defined in the Stockholder Agreement) or by law or (xxi) any dissolution of the Company or any of its subsidiaries, any adoption of a plan of liquidation of the Company of any of its subsidiaries or any action by the Company or any of its subsidiaries to commence any suit, case, proceeding or other action (A) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors seeking to have an order for relief entered with respect to the Company or any of its subsidiaries, seeking to adjudicate the Company or any of its subsidiaries bankrupt or insolvent or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with respect to the Company or any of its subsidiaries or (B) seeking appointment of a receiver, trustee, custodian or other similar official for the Company or any of its subsidiaries or for all or any Substantial Part of the Company or any of its subsidiaries or making a general assignment for the benefit of the creditors of the Company or any of its subsidiaries. The Stockholder Agreement also requires that the Annual Operating Plans and the Strategic Plans (each as defined in the Stockholder Agreement) be approved by a Special Majority of the Board of Directors.

The purpose of HLR, Roche and Holdings in effecting the Merger and acquiring the Roche Shares was to acquire a substantial equity interest in the Company and the benefits of the Stockholder Agreement and the Sharing and Call Option Agreement (referred to in Item 6 below).

The Reporting Persons intend to review continually the Company's business affairs and financial condition, as well as conditions in the securities markets and general economic and industry conditions. Based on an evaluation of these and other similar considerations and as consistent with the Stockholder Agreement, the Reporting Persons will continue to consider various alternative courses of action and will in the future take such actions with respect to the Company as each of them deems appropriate in light of the circumstances existing from time to time.

Except as set forth herein, none of the Reporting Persons nor any other person controlling the Reporting Persons, nor, to the best of the knowledge of any of the Reporting Persons, any person named in Schedules A, B, C, D and E attached hereto currently has any plans or proposals which relate to or would result in (i) the acquisition by any person of additional securities of the Company, or the disposition of securities of the Company; (ii) an extraordinary corporate transaction, such as a merger, reorganization or liquidation involving the Company or any of its subsidiaries; (iii) a sale or transfer of a material amount of assets of the Company or any of its subsidiaries; (iv) any change in the present Board of Directors or management of the Company; (v) any material change in the present capitalization or dividend policy of the Company; (vi) any other material change in the Company's business or corporate structure; (vii) changes in the Company's charter, bylaws or instruments corresponding thereto or other actions which may impede the acquisition of control of the Company by any person; (viii) causing the Common Stock to cease to be authorized to be quoted on the New York Stock Exchange; (ix) the Common Stock becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Exchange Act; or (x) any action similar to any of those enumerated in this paragraph.

Item 5. Interest in Securities of the Issuer.

(a) According to information provided by the Company, the Reporting Persons believe that giving effect to the Merger and the transactions contemplated by the Merger Agreement there were 122,904,323 shares of Common Stock outstanding immediately after the Effective Time on the Effective Date. In the Merger, HLR acquired 49,008,538 shares of Common Stock and Holdings acquired 12,320,718 shares of Common Stock. Based upon information provided by the Company, the Reporting Persons believe that the Roche Shares represent approximately 49.9% of the Common Stock estimated to be outstanding after the Effective Time on the Effective Date. The Roche Shares owned by HLR may be deemed, for purposes of Rule 13d-3, to be beneficially owned by Roche, Holdings, Finance, Roche Holding and Dr. Sacher. The Roche Shares owned by Holdings may be deemed, for the purposes of Rule 13d-3, to be beneficially owned by Finance, Roche Holding and Dr. Sacher. Each of HLR and Holdings have the sole power to vote and dispose of the Roche Shares held by it, respectively.

In addition, Roche is the beneficial owner of the Roche Warrants. The Roche Warrants owned by Roche may be deemed, for the purposes of Rule 13d-3, to be beneficially owned by Holdings, Finance, Roche Holding and Dr. Sacher. The Roche Warrants are not exercisable until April 28, 2000, and the Reporting Persons disclaim beneficial ownership of the shares of Common Stock

issuable upon exercise of the Roche Warrants.

To the best of the knowledge of the Reporting Persons, the number of shares of Common Stock beneficially owned by the persons named in Schedules A, B, C, D and E hereto (beneficial ownership of which shares is disclaimed by the Reporting Persons) is set forth below:

Individual	No. of Shares of Common Stock Beneficially Owned
Patrick J. Zenner (President and Chief Executive Officer of Roche)	3,000 (owned jointly)
George W. Johnston (Assistant Secretary of Roche)	600
William H. Epstein (Assistant Secretary of Roche)	1,400

Except as set forth herein, neither the Reporting Persons nor any other person controlling the Reporting Persons nor, to the best of the knowledge of the Reporting Persons, any of the persons named in Schedules A, B, C, D and E hereto beneficially owns any shares of Common Stock.

(b) Except as otherwise described herein, neither the Reporting Persons nor any other person controlling the Reporting Persons nor, to the best of the knowledge of the Reporting Persons, any of the persons named in Schedules A, B, C, D and E hereto has any sole or shared power to vote or direct the vote of any shares of Common Stock nor sole or shared power to dispose of or direct the disposition of any shares of Common Stock.

(c) Except as set forth herein, no transactions in the Common Stock have been effected during the past 60 days by the Reporting Persons, any other person controlling any of the Reporting Persons or, to the best of the knowledge of the Reporting Persons, any of the persons named in Schedules A, B, C, D and E hereto, except that, as described in paragraph (a) above of this Item 5, the Reporting Persons have been informed that on May 2, 1995, Mr. Zenner jointly with his wife acquired 3,000 shares of Common Stock for a purchase price per share of $12.75 on the New York Stock Exchange, Inc. (the "NYSE"), on April 28, 1995, Mr. Johnston acquired 600 shares of Common Stock for a purchase price per share of $14.875 on the NYSE and on April 28, 1995, Mr. Epstein acquired 1,400 shares of Common Stock for a purchase price per share of $14.75 on the NYSE.

(d) Inapplicable.

(e) Inapplicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

The information contained in Item 4 above is hereby incorporated by reference herein.

In addition to the provisions of the Stockholder Agreement described above in Item 4, the Stockholder Agreement prohibits, subject to certain exceptions, the Company from issuing, selling or transferring any (i) Common Stock or other voting stock of the Company, (ii) any debt or equity securities of the Company convertible or exchangeable for Common Stock or voting stock of the Company or (iii) any options, rights or warrants issued by the Company to acquire Common Stock or other voting stock of the Company ("Equity Securities") to any person, unless the Investor is offered in writing the right to purchase, at the same price and on the same terms proposed to be issued or sold, an amount of such Equity Securities (the "Maintenance Securities") as is necessary for the Investor Group to maintain the Investor Group Interest as it existed immediately prior to such issuance (the "Anti-Dilutive Rights"). If the Investor does not deliver to the Company written notice of acceptance of any such offer within 20 business days after the Investor's receipt thereof, the Investor will be deemed to have waived its right to purchase all or part of the Maintenance Securities as set forth in such offer, but the Investor will retain its Anti-Dilutive Rights with respect to future offers.

The Anti-Dilutive Rights do not apply to (i) the grant or exercise of options to purchase shares of stock of the Company, the issuance of shares of stock of the Company to employees of the Company or any of its subsidiaries (other than employees who are also employees of a stockholder, its affiliates or any subsidiary of a stockholder) or otherwise pursuant to

any stock option or similar plan in existence on the date of the Stockholder Agreement or otherwise adopted by the Board of Directors after the date of the Stockholder Agreement, (ii) the issuance of the stock of the Company pursuant to the Warrants or of shares of the stock of the Company issuable upon exercise of any option, warrant, convertible security or other rights to purchase shares of stock of the Company which, in each case, has been issued in compliance with the terms of the provisions pertaining to the Anti-Dilutive Rights, (iii) the issuance of any securities pursuant to any stock split, stock dividend or other similar stock recapitalization or (iv) the issuance of shares of stock of the Company pursuant to any underwritten public offering of Equity Securities under an effective registration statement filed by the Company with the Securities and Exchange Commission (the "SEC") in accordance with the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (the "Securities Act") (such an offering being referred to as a "Public Offering"), provided that the action described in clauses (i), (iii) or (iv) above, as the case may be, has been approved (to the extent required) in accordance with the provisions of the Stockholder Agreement.

The Stockholder Agreement provides that, during the Initial Period, the Investor may not, and will use its best efforts to cause each member of the Investor Group not to, directly or indirectly, purchase or otherwise acquire any Equity Securities if, after giving effect thereto, the Investor Group Interest would exceed 49.99%. Notwithstanding the foregoing, the Stockholder Agreement permits the Investor Group or one or more members thereof to acquire, directly or indirectly, by purchase or otherwise, Equity Securities resulting in the Investor Group Interest exceeding such limitation in the event (i) any Person or group makes an Acquisition Proposal (as defined in the Merger Agreement), (ii) after the Effective time, Mafco Holdings Inc., a Delaware Corporation ("Mafco"), or any affiliate thereof acquires Equity Securities representing 1% or more of the Total Voting Power, (iii) any Person or group acquires beneficial ownership of Equity Securities representing 5% or more of Total Voting Power (10% or more in the case of beneficial ownership permitted to be reported on Schedule 13G under the Exchange Act), or (iv) there has been a material adverse change in the business, financial condition or operations of the Company for, or which would reasonably be expected to continue for, a sustained period, and the Investor has determined in good faith that the acquisition of additional Equity Securities is reasonably necessary to protect its investment in the Company.

The Stockholder Agreement requires that from the first anniversary of the Effective Date until the third anniversary of the Effective Time the Investor not, and use its best efforts to cause each member of the Investor Group not to, directly or indirectly, purchase or otherwise acquire, or propose or offer to purchase or acquire, any Equity Securities of the Company, whether by tender offer, market purchase, privately negotiated purchase, merger or otherwise, except that the Investor Group may acquire Equity Securities to the extent that, after giving effect thereto, the Investor Group Interest would not exceed 75%.

The Stockholder Agreement permits, however, the Investor Group to acquire Equity Securities, notwithstanding the fact that, after giving effect thereto, the Investor Group Interest would exceed 75%, if the Investor Group (or a member or affiliate thereof, as the case may be) offers, prior to consummating such purchase, to purchase all outstanding Equity Securities, and holders of Equity Securities representing more that 50% of the outstanding Equity Securities (excluding any Equity Securities held by the Investor Group) accept such offer, and the Investor Group (or a member or affiliate thereof, as the case may be) consummates such purchase.

The Stockholder Agreement provides that the Investor may not sell or otherwise transfer any Equity Securities, except pursuant to a Public Offering, Rule 144 or Rule 144A or any other transaction in compliance with the Securities Act, state securities laws and other applicable laws. The Investor has agreed to cause any Person who acquires 30% of the Total Voting Power from the Investor to agree to be bound by the provisions of the Stockholder Agreement, whereupon such Person will become entitled to all of the rights and benefits of HLR under the Stockholder Agreement.

The Stockholder Agreement provides that the Investor (which, for the purposes of this paragraph and the following three paragraphs hereof, includes Roche) may from time to time make a written request to the Company for registration under the Securities Act of Registrable Securities (as defined in the Stockholder Agreement) (each, a "Demand Registration"). The obligations of the Company to register such Registrable Securities are subject to the following conditions: (i) the Registrable Securities requested to be registered must (unless reduced pursuant to the provisions of the section of the Stockholder Agreement entitled "Reduction of Offering"), constitute at least 2% of the equivalent outstanding Equity Securities or at least 5% of the Registrable Securities at such time, whichever amount is smaller, (ii) there

shall not have been consummated more than one offering pursuant to a Demand Registration within the preceding 12 month period, (iii) if the Investor Group Interest is less than 30% but more than 20%, no more than three other Demand Registrations shall have been effected after the date on which the Investor Group Interest was reduced to less than 30%, if the Investor Group Interest is less than 20% but more than 10%, no more than two other Demand Registrations shall have been effected after the date on which the Investor Group Interest was reduced to less than 20% and if the Investor Group Interest is less than 10%, no more than one other Demand Registration shall have been effected after the date on which the Investor Group Interest was reduced to less than 10%, (iv) the Investor shall conform to all applicable requirements of the Securities Act and the Exchange Act with respect to the offering and sale of securities and advise each underwriter, broker or dealer through which any of the Registrable Securities are offered that the Registrable Securities are part of a distribution that is subject to the prospectus delivery requirements of the Securities Act and (v) the Investor shall use all reasonable efforts to effect as wide a distribution of such Registrable Securities as is reasonably practicable, but in no event will any sale of Registrable Securities be made knowingly to any Person who beneficially owns 5% or more of the Total Voting Power.

In addition, the Company's obligations pursuant to any Demand Registration will be suspended if (i) the fulfillment of such obligations would require the Company to make a disclosure that would, in the reasonable good faith and judgment of the Board of Directors, be materially detrimental and premature, (ii) the Company has filed a registration statement with respect to Equity Securities to be distributed in a Public Offering and it is advised by its lead or managing underwriter that an offering by the Investor of the Registrable Securities would materially adversely affect the distribution of such Equity Securities or (iii) the fulfillment of such obligations would require the Company to prepare audited financial statements not required to be prepared for the Company to comply with its obligations under the Exchange Act as of any date not coincident with the last day of any fiscal year of the Company. The obligations of the Company, however, will be reinstated (x) in the case of clause (i) above, upon the making of such disclosure (or, if earlier, when such disclosure would either be no longer necessary for the fulfillment of such obligations or no longer detrimental), (y) in the case of clause (ii) above, upon the conclusion of any period during which the Company would not, pursuant to the terms of its underwriting arrangements, be permitted to sell securities of the Company for its own account and (z) in the case of clause (iii) above, as soon as it would no longer be necessary to prepare such financial statements to comply with the Exchange Act.

The Stockholder Agreement provides that, if the Company proposes to file a registration statement under the Securities Act with respect to an offering of any securities of the Company for the Company's own account (other than a registration statement on Form S-4 or S-8 (or any substitute that may be adopted by the SEC) or the account of any holder of Equity Securities other than any member of the Investor Group (each, an "Other Holder") (other than Mafco or any of its affiliates), then the Company will give written notice of such proposed filing to the Investor as soon as practicable, and such notice will offer the Investor the opportunity to register such number of shares of, or Warrants constituting, Registrable Securities as the Investor may request on the same terms and conditions as those applicable to the securities of the Company or of the Other Holders in the offering (a "Piggyback Registration"). Upon the written request of the Investor made within ten days after the receipt of notice from the Company, which request shall specify the amount and types of Registrable Securities intended to be issued or disposed of, the Company will use its best efforts, subject to certain conditions set forth in the Stockholder Agreement, to effect the registration under the Securities Act of all such Registrable Securities which the Company has been so requested to register by the Investor, to the extent requisite to permit the disposition of such Registrable Securities to be so registered. In connection with any Demand Registration or any Piggyback Registration, the Company will pay all Registration Expenses (as defined in the Stockholder Agreement) of the Investor.

Pursuant to the Stockholder Agreement, the Company has agreed that it will file necessary reports with the SEC and to take other action as reasonably requested by the Investor to enable it to sell its Company securities pursuant to Rule 144 under the Securities Act. If the Investor desires to transfer any of its securities of the Company pursuant to Rule 144A, the Stockholder Agreement requires the Company to promptly, upon request by the Investor, use its best efforts to facilitate the consummation of such Rule 144A transaction in accordance with the requirements of such rule and with such request and will take all necessary or appropriate actions in connection therewith. If the Investor Group Interest is less than 30%, then the Company will only be required to facilitate the consummation of such Rule 144A transaction according to the following provisions: (i) if the Investor Group Interest is less than 30% but more than 20%, no more than three other

Rule 144A transactions will have been effected after the date on which the Investor Group Interest was reduced to less than 30%, (ii) if the Investor Group Interest is less than 20% but more that 10%, no more than two other Rule 144A transaction will have been effected after the date on which the Investor Group Interest was reduced to less than 20% and (iii) if the Investor Group Interest is less than 10%, no more than one other Ruler 144A transaction will have been effected after the date on which the Investor Group Interest was reduced to less than 10% the Company has agreed to pay all expenses in connection with Rule 144A transactions by the Investor to the same extent as the Company would be required to pay Registration Expenses.

In the Stockholder Agreement, the Company has agreed to provide certain information to the Investor on a periodic basis and as requested, and the Company has agreed that it will not enter into any agreements with respect to its securities which would be inconsistent with the rights granted to the Investor, the Investor Group and the Investor Directors in the Stockholder Agreement.

The provisions of the Stockholder Agreement will terminate if the Investor Group Interest is less than 30%, provided, however, that the provisions relating to the obligation of the Company to furnish certain information will not terminate until such time as the Investor Group Interest is less than 20%, certain provisions regarding Board and Board committee membership and amendment of the Company's certificate of incorporation and bylaws will not terminate until such time as the Investor Group Interest is less than 10%, the registration rights will not terminate until such time as the Investor Group does not own any Registrable Securities (except the provisions relating to Piggyback Registrations, which will terminate at such time as the Investor Group Interest is less than 20%) and certain miscellaneous provisions will not terminate until all other provisions of the Stockholder Agreement have terminated. Furthermore, in the event that the Investor Group Interest exceeds 50%, the provisions pertaining to corporate governance will terminate, but will be reinstated, at the request of the Investor, if the Investor Group Interest is later reduced below 50%. The description herein regarding terms of Stockholder Agreement is qualified by reference to Exhibit I attached hereto and incorporated by reference herein.

In connection with entering into the Merger Agreement, HLR, Mafco, National Health Care Group, Inc., a Delaware corporation ("NHCG"), and (for the purposes set forth therein) the Company entered into the Sharing and Call Option Agreement dated as of December 13, 1994 (the "Sharing and Call Option Agreement"), which among other things, sets forth certain agreements among the parties thereto with respect to the securities of the Company, as described below. A copy of the Sharing and Call Option Agreement is filed as Exhibit 4 hereto and is hereby incorporated herein by reference, and the description herein of the terms of such agreement is qualified in its entirety by reference to such Exhibit.

The Sharing and Call Option Agreement provides (among other things) that at any time after the third anniversary of the Effective Date, a member of the Investor Group may exercise the right (the "Call Right"), which right may only be exercised once, to purchase all, but not less than all, the shares of Common Stock then owned by NHCG, Mafco or any of their controlled affiliates. If a member of the Investor Group intends to exercise the Call Right, then, not less than 20 business days prior to the exercise thereof, such member is required to so notify Mafco and NHCG of such intention, specifying in such notice (the "Call Notice") the date of such exercise (the "Exercise Date"). From and after the receipt of a Call Notice, the Sharing and Call Option Agreement prohibits NHCG, Mafco and any of their controlled affiliates from transferring any shares of Common Stock that are owned by them except during any period expiring 15 business days prior to the Exercise Date.

The Sharing and Call Option Agreement provides that a member of the Investor Group will pay a price per share for the shares to be purchased equal to 102% of the average closing price per share of such security as reported on the principal national securities exchange on which such shares are listed, or if not so listed, as reported on NASDAQ/NMS, for the 30 trading days before the Exercise Date.

Except as otherwise described herein, to the best of the Reporting Persons' knowledge, there are no contracts, arrangements, understandings or relationship (legal or otherwise) among the Reporting Persons and between the Reporting Persons and any person with respect to any securities of the issuer, including but not limited to transfer or voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies.

Item 7. Material Filed as Exhibits.

Exhibit Number	Title
1	Agreement and Plan of Merger dated as of December 13, 1994, among National Health Laboratories Holdings Inc., HLR Holdings Inc., Roche Biomedical Laboratories, Inc. and Hoffmann-La Roche Inc. (schedules omitted -- Roche Holdings, Inc. agrees to furnish a copy of any schedule to the Securities and Exchange Commission upon request)
2	Warrant Agreement dated as of April 10, 1995, between National Health Laboratories Holdings Inc. and American Stock Transfer & Trust Company
3	Stockholder Agreement dated as of April 28, 1995, among HLR Holdings Inc., Hoffmann-La Roche Inc., Roche Holdings, Inc. and National Health Laboratories Holdings Inc.
4	Sharing and Call Option Agreement dated as of December 13, 1994, among HLR Holdings Inc., Mafco Holdings Inc., National Health Care Group, Inc. and National Health Laboratories Holdings Inc.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: May 8, 1995

ROCHE HOLDINGS, INC.

By: /s/ Henri B. Meier
_____
Name: Henri B. Meier
Title: Vice President and Treasurer

SCHEDULE A

Executive Officers and Directors(*)
of
HLR Holdings Inc.

The names of the Directors and the names and titles of the Executive Officers of HLR Holdings Inc. and their business addresses and principal occupations are set forth below. If no address is given, the Director's or Executive Officer's business address is that of Hoffmann-La Roche Inc., which is 340 Kingsland Street, Nutley, New Jersey 07110. Unless otherwise indicated, each occupation set forth opposite an individual's name refers to Hoffmann-La Roche Inc. and each individual is an American citizen.

Name, Business Address	Present Principal Occupation
* Patrick J. Zenner..... (President)	President and Chief Executive Officer
* Thomas P. Mac Mahon.....	Senior Vice President (President, Roche Diagnostics Group)
* Martin F. Stadler.....	Senior Vice President
* Frederick C. Kentz III..... (Secretary)	Vice President, Secretary and General Counsel
* David W. Dupert..... (Controller) Delaware Corporate Management, Inc. Suite 1300 1105 North Market St. Wilmington, DE 19801	Vice President, Delaware Corporate Management, Inc.
* William D. Johnston..... (Assistant Secretary) 11th Fl. Rodney Square North P.O. Box 391 Wilmington, DE 19899	Attorney-at-Law, Partner, Young, Conaway, Stargatt & Taylor

William L. Hennrich..... (Treasurer)	Vice President and Treasurer, Hoffmann-La Roche Inc.

SCHEDULE B

Executive Officers and Directors(*)
of
Hoffmann-La Roche Inc.

The names of the Directors and the names and titles of the Executive Officers of Hoffmann-La Roche Inc. and their business addresses and principal occupations are set forth below. If no address is given, the Director's or Executive Officer's business address is that of Hoffmann-La Roche Inc., which is 340 Kingsland Street, Nutley, New Jersey 07110. Unless otherwise indicated, each occupation set forth opposite an individual's name refers to Hoffmann-La Roche Inc. and each individual is an American citizen, except that Dr. Drews and Dr. Steinmetz are German citizens, and Messrs. Kessler and Gerber and Dr. Gilgen are Swiss citizens.

Name, Business Address	Present Principal Occupation
* Patrick J. Zenner.....	President and Chief Executive Officer
* Dr. Jurgen Drews.....	Senior Vice President
* Thomas P. Mac Mahon.....	Senior Vice President (President, Roche Diagnostics Group)
* Martin F. Stadler.....	Senior Vice President
* Frederick C. Kentz III....	Vice President, Secretary and General Counsel
* Dr. Paul Gilgen.....	Vice President (President, Roche Vitamins & Fine Chemicals)
* Dr. Michael Steinmetz.....	Vice President
* Stephen G. Sudovar.....	Vice President
* Dr. Armin M. Kessler..... Grenzacherstrasse 124 4002 Basel, Switzerland	Chief Operating Officer, Roche Holding Ltd
* Dr. Fritz Gerber..... Grenzacherstrasse 124 4002 Basel, Switzerland	Chairman of the Board and Chief Executive Officer, Roche Holding Ltd
Frank J. D'Angelo.....	Vice President
Charles V. Flemming.....	Vice President
George M. Gould.....	Vice President
William L. Hennrich.....	Vice President and Treasurer
Steven D. Grossman.....	Vice President
Ronald S. LaBarbera.....	Vice President
Robert T. Fischetta.....	Assistant Controller
Robert A. Meyers.....	Assistant Controller
William H. Epstein.....	Assistant Secretary
George W. Johnston.....	Assistant Secretary
David E. Seligman.....	Assistant Secretary
Alan B. Spitzer.....	Assistant Treasurer

SCHEDULE C

Executive Officers and Directors(*)
of
Roche Holdings, Inc.

The names of the Directors and the names and titles of the Executive Officers of Roche Holdings, Inc. and their business addresses and principal occupations are set forth below. If no address is given, the Director's or Executive Officer's business address is that of Roche Holding Ltd, which is Grenzacherstrasse 124, 4002 Basel, Switzerland. Unless otherwise indicated, each occupation set forth opposite an individual's name refers to Roche Holding Ltd and each individual is a Swiss citizen.

Name, Business Address	Present Principal Occupation
* Fritz Gerber ..... (President)	Chairman of the Board, President and Chief Executive Officer
* Dr. Henri B. Meier..... (Vice President and Treasurer)	Chief Financial Officer
Peter N. Schiller..... (Secretary) Hoffstots Lane Sands Point, NY 11050	Attorney-at-Law

SCHEDULE D

Executive Officers and Directors(*)
of
Roche Finance Ltd

The names of the Directors and the names and titles of the Executive Officers of Roche Finance Ltd and their business addresses and principal occupations are set forth below. If no address is given, the Director's or Executive Officer's business address is that of Roche Holding Ltd, which is Grenzacherstrasse 124, 4002 Basel, Switzerland. Unless otherwise indicated, each occupation set forth opposite an individual's name refers to Roche Holding Ltd and each individual is a Swiss citizen.

Name, Business Address	Present Principal Occupation
* Fritz Gerber ..... (President)	Chairman of the Board, President and Chief Executive Officer
* Dr. Andres F. Leuenberger...	Vice Chairman of the Board
* Dr. Henri B. Meier.....	Chief Financial Officer

SCHEDULE E

Executive Officers and Directors(*)
of
Roche Holding Ltd

The names of the Directors and the names and titles of the Executive Officers of Roche Holding Ltd and their business addresses and principal occupations are set forth below. If no address is given, the Director's or Executive Officer's business address is that of Roche Holding Ltd, which is Grenzacherstrasse 124, 4002 Basel, Switzerland. Unless otherwise indicated, each occupation set forth opposite an individual's name refers to Roche Holding Ltd and each individual is a Swiss citizen, except that Dr. Drews is a German citizen and Mr. Belingard is a French citizen.

Name, Business Address	Present Principal Occupation
* Fritz Gerber.....	Chairman of the Board and Chief Executive Officer
* Dr. Lukas Hoffmann.....	Vice Chairman of the Board, Vice Chairman of
Le petit Essert 1147 Montricher, Switzerland	WWF International (a nonprofit organization)
* Dr. Andres F. Leuenberger.....	Vice Chairman and Delegate of the Board
* Dr. h.c. Paul Sacher.....	Conductor and Founder of Paul Sacher
Haus auf Burg Muensterplatz 4 4051 Basel, Switzerland	Foundation (a nonprofit organization)
* Dr. Armin M. Kessler.....	Chief Operating Officer
* Dr. Henri B. Meier.....	Chief Financial Officer
* Dr. Jakob Oeri.....	Surgeon and retired Head Physician,
St. Alban - Vorstadt 71	Kantonsspital Basel (hospital)
* Dr. Kurt Jenny Aeschengraben 18 4051 Basel, Switzerland	Lawyer
* Prof. Dr. Werner Stauffacher Department of Internal Medicine University of Basel Hebelstrasse 32 4056 Basel, Switzerland	Head, Department of Internal Medicine, University of Basel
* Prof. Charles Weissmann.....	Professor, University of Zurich
Director Institut fur Molekularbiologie I der Universitaet Zurich Hoenggerberg 8093 Zurich, Switzerland	
Dr. Markus Altwegg.....	General Manager
Dr. Roland Bronnimann.....	General Manager
Dr. Jurgen Drews.....	General Manager
Jean-Luc Belingard.....	General Manager

Exhibit Index

Exhibit	Title

Number	
1	Agreement and Plan of Merger dated as of December 13, 1994, among National Health Laboratories Holdings Inc., HLR Holdings Inc., Roche Biomedical Laboratories, Inc. and Hoffmann-La Roche Inc. (schedules omitted -- Roche Holdings, Inc. agrees to furnish a copy of any schedule to the Securities and Exchange Commission upon request)
2	Warrant Agreement dated as of April 10, 1995, between National Health Laboratories Holdings Inc. and American Stock Transfer & Trust Company
3	Stockholder Agreement dated as of April 28, 1995, among HLR Holdings Inc., Hoffmann-La Roche Inc., Roche Holdings, Inc. and National Health Laboratories Holdings Inc.
4	Sharing and Call Option Agreement dated as of December 13, 1994, among HLR Holdings Inc., Mafco Holdings Inc., National Health Care Group, Inc. and National Health Laboratories Holdings Inc.

Exhibit 1
CONFORMED COPY

AGREEMENT AND PLAN OF MERGER

dated as of

December 13, 1994

among

National Health Laboratories Holdings Inc.,

HLR Holdings Inc.

and

Roche Biomedical Laboratories, Inc.

TABLE OF CONTENTS(1)

- - ---------
(1) This Table of Contents is not a part of this Agreement.

- - ---------
* Not attached.

TABLE OF DEFINED TERMS(2)

- - ---------
(2) This Table of Defined Terms is not a part of the Agreement.

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AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER dated as of December 13, 1994 among National Health Laboratories Holdings Inc., a Delaware corporation ("NHL" and for purposes of this Agreement references to NHL shall be deemed to include, as appropriate in the context, National Health Laboratories Inc., a Delaware corporation which is NHL's predecessor in interest), HLR Holdings Inc., a

Delaware corporation ("HLR"), and Roche Biomedical Laboratories, Inc. a New Jersey corporation and a direct wholly-owned subsidiary of HLR ("RBL") and for the purposes of Sections 1.4(b) and 11.9, Hoffmann-La Roche Inc., a New Jersey corporation ("Roche").

WHEREAS, the respective Boards of Directors of HLR, RBL and NHL have approved the merger of RBL with and into NHL (the "Merger") upon the terms and subject to the conditions of this Agreement and in accordance with the General Corporation Law of the State of Delaware ("Delaware Law"); and

WHEREAS, the Board of Directors of NHL has determined that the Merger is fair to, and in the best interests of, the holders of NHL common stock, par value $0.01 per share ("NHL Common Stock"), and has approved this Agreement, the Sharing and Call Option Agreement dated the date hereof among HLR, National Health Care Group, Inc. ("NHCG"), a Delaware corporation, which is a significant stockholder of NHL, and Mafco Holdings Inc., the ultimate parent company of NHCG (the "Sharing and Call Option Agreement") and the HLR Stockholder Agreement to be entered into immediately prior to the Merger by HLR and NHL which agreement shall be substantially in the form of Exhibit A hereto (the "HLR Stockholder Agreement") and the transactions contemplated hereby and thereby, and recommended approval and adoption of this Agreement and such transactions by the stockholders of NHL; and

WHEREAS, the Board of Directors of RBL has determined that the Merger is fair to, and in the best interests of, RBL and HLR, and has approved this Agreement, and the transactions contemplated hereby and the Board of Directors of HLR has approved and adopted this Agreement and has approved the HLR Stockholder Agreement and the Sharing and Call Option Agreement and the transactions contemplated hereby and thereby; and

WHEREAS, the parties intend that the Merger qualify as a reorganization within the meaning of Section 368(a)(i) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, in connection with the Merger, a portion of each share of NHL Common Stock will be converted into the right to receive $5.60 in cash in a transaction constituting a redemption within the meaning of Section 317(b) of the Code; and

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements contained herein, the parties hereto agree as follows:

ARTICLE 1
THE MERGER

SECTION 1.1. The Merger. (a) Upon the terms and subject to the conditions set forth in this Agreement, and in accordance with Delaware Law, RBL shall be merged with and into NHL at the Effective Time (as defined in Section 1.1(b)), whereupon the separate existence of RBL shall cease, and NHL shall be the surviving corporation (the "Surviving Corporation").

(b) As soon as practicable after satisfaction or, to the extent permitted hereunder, waiver of all conditions to the Merger, NHL and RBL will file a certificate of merger, in the form required by and executed in accordance with Delaware Law, with the Secretary of State of the State of Delaware and make all other filings or recordings required by Delaware Law in connection with the Merger. The Merger shall become effective at such time as the certificate of merger is duly filed with the Secretary of State of the State of Delaware, which shall be as soon as practicable following the NHL Stockholder Meeting (as defined in Section 5.2 hereof) (the "Effective Time").

(c) From and after the Effective Time, the Surviving Corporation shall possess all the rights, privileges, powers and franchises and be subject to all of the restrictions, disabilities and duties of NHL and RBL, all as provided under Delaware Law.

SECTION 1.2. Conversion of Shares. At the Effective Time:

(a) each share of NHL Common Stock (each an "NHL Share") issued and outstanding prior to the Effective Time (other than any NHL Shares held by RBL, HLR or any Subsidiary) (as defined in Section 3.1) shall, subject to Section 1.2(d) be converted into (x) 0.72 of an NHL Share and (y) the right to receive $5.60 in cash without interest thereon (the "Cash Consideration" and, together with the NHL Shares to be issued pursuant to (x) above, the "Conversion Consideration"; such conversion is referred to herein as the "NHL Share Conversion");

(b) all RBL common shares, no par value (each a "Share" and

collectively the "Shares"), outstanding immediately prior to the Effective Time shall (except as provided in Section 1.2(c)) be converted into and become, in the aggregate, the HLR Number (as defined below) of NHL Shares, newly issued as contemplated by this Agreement (the "HLR-NHL Shares"), each such HLR-NHL Share having the same rights, powers and privileges as an NHL Share outstanding immediately prior to the Effective Time. The "HLR Number" shall be that number of NHL Shares as would, in the aggregate and after giving effect to the Merger (including issuance of the HLR-NHL Shares and the NHL Share Conversion) and the number of NHL Shares held by HLR or any Affiliate immediately prior to the Merger, equal 49.9% of the total number of NHL Shares which would be outstanding immediately after the Effective Time (after giving effect to the issuance under such Section 1.5 of NHL Shares in respect of Employee Stock Options (as defined in Section 1.5(a)). If between the date of this Agreement and the Effective Time, the outstanding shares of NHL Common Stock shall have been changed into a different number of shares or a different class, by reason of any stock dividend, subdivision, reclassification, recapitalization, split, combination or exchange of shares, the HLR Number shall be correspondingly adjusted to reflect such stock dividend, subdivision, classification, recapitalization, split, combination or exchange of shares (any such adjustment being referred to herein as an "Anti-dilution Adjustment"); and

(c) each Share held by RBL, HLR or any Subsidiary thereof as treasury stock immediately prior to the Effective Time shall be canceled and no payment or issuance of a HLR-NHL Share shall be made with respect thereto;

(d) no certificates or scrip representing less than one share of NHL Common Stock shall be issued upon the surrender for exchange of Certificates pursuant to Section 1.2. In lieu of any such fractional share, each holder of a Certificate who would otherwise have been entitled to a fraction of a share of NHL Common Stock upon surrender of Certificates for exchange pursuant to Section 1.2 shall be paid upon such surrender cash (without interest) in an amount equal to such holder's proportionate interest in the net proceeds from the sale or sales in the open market by the Exchange Agent, (as defined in Section 1.3) on behalf of all such holders, of the aggregate fractional NHL Common Stock issued pursuant to this Section 1.2(d). As soon as practicable following the Effective Time, the Exchange Agent shall determine the excess of (i) the number of full shares of NHL Common Stock delivered to the Exchange Agent by NHL over (ii) the sum of the number of full shares of NHL Common Stock to be distributed to each holder of Certificates (such excess being herein called the "Excess Shares"), and the Exchange Agent, as agent for the former holders of Certificates, shall sell the Excess Shares at the prevailing prices on the New York Stock Exchange, Inc. ("NYSE"). The sales of the Excess Shares by the Exchange Agent shall be executed on the NYSE through one or more member firms of the NYSE and shall be executed in round lots to the extent practicable. NHL shall pay all commissions, transfer taxes and other out-of-pocket transaction costs, including the expenses and compensation of the Exchange Agent, incurred in connection with such sale of Excess Shares. Until the net proceeds of such sale have been distributed to the holders of Certificates, the Exchange Agent will hold such proceeds in trust for such former holders of Certificates (the "Fractional Shares Fund"). As soon as practicable after the determination of the amount of cash to be paid to holders of certificates in lieu of any fractional interests, the Exchange Agent shall make available in accordance with this Agreement such amounts to such holders of Certificates;

(e) notwithstanding anything in this Agreement, any issued and outstanding NHL Shares held by a person who objects to the Merger (a "Dissenting Stockholder") and complies with all the provisions of Delaware Law concerning the right of holders NHL Shares to dissent from the Merger and require appraisal of their NHL Shares ("Dissenting Shares") shall not be converted as described in Section 1.2(a) but shall become the right to receive such consideration as may be determined to be due to such Dissenting Stockholder pursuant to Delaware Law. If, after the Effective Time, such Dissenting Stockholder withdraws his demand for appraisal or fails to perfect or otherwise loses his right to appraisal, in any case pursuant to Delaware Law, his NHL Shares shall be deemed to be converted as of the Effective Time into the Conversion Consideration. NHL shall give HLR (i) prompt notice of any demands for appraisal of NHL Shares received by NHL and (ii) the opportunity to participate in and direct all negotiations and proceedings with respect to any such demands. NHL shall not, without the prior written consent of HLR, make any payment with respect to, or settle, offer to settle or otherwise negotiate, any such demands.

SECTION 1.3. Surrender and Payment. (a) Prior to the Effective Time, HLR and NHL shall appoint a mutually acceptable bank or trust company as agent (the "Exchange Agent") for the purpose of exchanging certificates in connection with the NHL Share Conversion in accordance with the terms of this Agreement. At or prior to the Effective Time, HLR shall deposit in trust with

the Exchange Agent $135,651,100 (the "HLR Cash Consideration"). At or prior to the Effective Time, Roche shall provide to NHL $51,048,900 (the "Roche Warrant Consideration") in respect of Roche's purchase of 8,325,000 Warrants (as defined in Section 1.4(a)) pursuant to Section 1.4(b) (the "Roche Warrants"). At or prior to the Effective Time, NHL shall, subject to Section 7.2, deposit in trust with the Exchange Agent (x) $288,000,000 (the "NHL Cash Consideration") and (y) the Roche Warrant Consideration received from Roche. The HLR Cash Consideration, the NHL Cash Consideration and the Roche Warrant Consideration are referred to collectively as (the "Cash Consideration Fund"). The Exchange Agent shall, pursuant to irrevocable instructions, deliver the Cash Consideration contemplated to be issued as part of the NHL Share Conversion out of the Cash Consideration Fund. The Cash Consideration Fund shall not be used for any other purpose.

(b) As soon as reasonably practicable after the Effective Time, the Surviving Corporation shall cause the Exchange Agent to mail to each holder of record of a certificate or certificates which immediately prior to the Effective Time represented outstanding shares of NHL Shares (the "Certificates") (i) a letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon delivery of the Certificates to the Exchange Agent and shall be in such form and have such other provisions as NHL may reasonably specify) and (ii) instructions for use in effecting the surrender of the Certificates in exchange for certificates representing the NHL Shares and Cash Consideration into which such Certificates shall have been converted pursuant to the NHL Share Conversion. Upon surrender of a Certificate for cancellation to the Exchange Agent or to such other agent or agents as may be appointed by NHL, together with such letter of transmittal, duly executed, and such other documents as may reasonably be required by the Exchange Agent, the holder of such Certificate shall be entitled to receive in exchange therefor a certificate representing that number of NHL Shares and the Cash Consideration which such holder has the right to receive pursuant to the provisions of this Article (and cash, if any, in lieu of fractional shares pursuant to Section 1.2(d)). In the event of a transfer of ownership of NHL Shares which is not registered in the transfer records of NHL, a certificate representing the proper number of shares of NHL Shares may be issued and the Cash Consideration may be paid (and cash, if any, in lieu of fractional shares) to a Person other than the Person in whose name the Certificate so surrendered is registered, if such Certificate shall be properly endorsed or otherwise be in proper form for transfer and the Person requesting such payment shall pay any transfer or other taxes required by reason of the issuance of NHL Shares and payment of Cash Consideration (and cash, if any, in lieu of fractional shares) to a Person other than the registered holder of such Certificate or establish to the satisfaction of HLR that such tax has been paid or is not applicable. Until surrendered as contemplated by this Section 1.3, each Certificate shall be deemed at any time after the Effective Time to represent only the number of NHL Shares and the right to receive Cash Consideration (and cash, if any, in lieu of fractional shares) to which such holder is entitled pursuant to the NHL Share Conversion, and the holder of such Certificate shall cease to have any rights with respect to the number of NHL Shares represented by such Certificate immediately prior to the Effective Time in excess of the number of NHL Shares to which such holder is entitled pursuant to the NHL Share Conversion except as otherwise provided herein or by law. No interest will be paid or will accrue on any Conversion Consideration (or cash, if any, payable in lieu of fractional shares).

(c) From and after the Effective Time, there shall be no further registration of transfers of Certificates.

(d) The Cash Consideration Fund and the Fractional Shares Fund shall be invested by the Exchange Agent as directed by HLR in consultation with the Surviving Corporation (so long as such directions do not impair the rights of the holders of NHL Shares) in direct obligations of the United States of America, obligations for which the full faith and credit of the United States of America is pledged to provide for the payment of principal and interest, commercial paper rated of the highest quality by Moody's Investors Services, Inc. or Standard & Poor's Corporation or certificates of deposit issued by a commercial bank having combined capital, surplus and undivided profits aggregating at least $500,000,000 (provided that no such investment made prior to the thirtieth day after the Effective Time shall mature more than seven days after such investment is made), and any net earnings with respect thereto shall be paid to the Surviving Corporation as and when requested by the Surviving Corporation.

(e) Any portion of the Cash Consideration Fund and the Fractional Shares Fund which remains undistributed six months after the Effective Time shall be delivered to the Surviving Corporation upon demand, and any holders of such NHL Shares who have not theretofore complied with this Article 1 shall thereafter look only to the Surviving Corporation for the Cash Consideration

(and cash, if any, payable in lieu of fractional shares) to which they are entitled.

(f) Neither HLR nor the Surviving Corporation shall be liable to any holder of NHL Shares for any such Cash Consideration (or cash, if any, payable in lieu of fractional shares) or any certificates for any NHL Shares delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

(g) The Surviving Corporation shall be entitled to deduct and withhold from the Cash Consideration (and cash, if any, payable in lieu of fractional shares) otherwise payable pursuant to this Agreement to any holder of NHL Shares such amounts as the Surviving Corporation is required to deduct and withhold with respect to the making of such payment under the Code, or any provision of state, local or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of such NHL Shares in respect of which such deduction and withholding was made by the Surviving Corporation.

SECTION 1.4. Warrants. (a) NHL currently intends to declare a dividend payable to holders of NHL Common Stock of record as of the third Business Day prior to the date of the NHL Stockholder Meeting, which dividend shall consist of .16308 of a warrant for each NHL Share outstanding on such date, each such Warrant (a "Warrant" and together with the Roche Warrants, the "Warrants") representing the right to purchase one newly issued share of NHL Common Stock and which shall be in the form and have substantially the terms and conditions set forth in the Warrant Agreement to be entered into between NHL and a warrant agent, which Warrant Agreement shall be satisfactory to NHL and to Roche (the "Warrant Agreement"). The Warrant Agreement will contain customary terms and conditions and will provide, among other things, for the issuance of the Warrants to be dividended to holders of record of NHL Common Stock on the third Business Day preceding the date of the NHL Stockholder Meeting, for the issuance of the Roche Warrants, that each Warrant may be exercised on the fifth anniversary (the "Expiration Date") of issuance to purchase one share of Common Stock at a purchase price of $22.00 per share (subject to adjustments), and that NHL shall have the option, exercisable by notice 60 days prior to the Expiration Date, to redeem the Warrants on the Expiration Date for a cash redemption price per Warrant equal to the average closing price of the NHL Common Stock over a specified period prior to the Expiration Date minus the exercise price. It is understood and agreed by the parties hereto that the representations and warranties of NHL with respect to the Warrant Agreement set forth in Article 3 hereof are based upon the assumption that the Warrant Agreement will conform to the description set forth in the preceding sentence.

(b) At or prior to the Effective Time, Roche shall cause to be delivered to NHL an amount in cash equal to the Roche Warrant Consideration in payment of the aggregate purchase price of $51,048,900 payable in respect of the Roche Warrants. In consideration of receipt of such payment, NHL shall issue and deliver to Roche pursuant to the Warrant Agreement a warrant certificate or certificates (in such denominations as requested by Roche) representing the Roche Warrants so purchased.

SECTION 1.5. Stock Options. (a) Each employee stock option or right to acquire NHL Shares under NHL's 1988 and 1994 Stock Option Plans (such rights being referred to as "Employee Stock Options") outstanding on the date hereof shall be deemed fully vested and, immediately prior to the Effective Time, NHL shall use reasonable efforts, including with respect to obtaining consents, to cause each Employee Stock Option to be canceled and terminated in exchange for an amount in cash and NHL Shares (in the proportions set forth below) equal to the product of (i) the number of NHL Shares subject to such Employee Stock Option immediately prior to the Effective Time and (ii) the excess of (1) $18.50 over (2) the per share exercise price of such Employee Stock Option (such product, the "Option Value Amount"). The Option Value Amount shall be payable at the Effective Time as follows: 40% of such amount (the "Option Cash Amount") shall be payable in cash, and 60% of such amount (the "Option Stock Amount") shall be payable in the number of NHL Shares obtained by dividing the Option Stock Amount by $15.42; provided that any fractional share resulting from such calculation shall be paid in cash, with the value of a whole share for such purpose assumed to be $15.42. All amounts payable to this Section 1.5(a) shall be subject to any required withholding of taxes and shall be paid without interest thereon.

(b) Notwithstanding the foregoing Section 1.5(a), the Employee Stock Options with respect to which the requisite consents are not obtained shall not be canceled, but instead shall be immediately converted as of the Effective Time into the right ("Adjusted Option") to purchase the Option Conversion Number (as defined below) of NHL Shares. Each Adjusted Option will have substantially the same terms as the Employee Stock Option to which it is related, except that: (i) the Adjusted Option shall be deemed fully vested and (ii) the exercise price of an Adjusted Option shall be an

amount equal to the exercise price of the Employee Stock Option related to such Adjusted Option as of the date of this Agreement divided by the Conversion Number (as defined below). The "Option Conversion Number" for any Adjusted Option shall be equal to the number of NHL Shares purchasable pursuant to the Employee Stock Option related to such Adjusted Option as of the date of this Agreement multiplied by the Conversion Number. The "Conversion Number" shall be a number equal to (i) the sum of (x) the product of (A) the average closing price of a share of NHL Common Stock on the NYSE Composite Tape for the period of five consecutive trading days beginning on the trading day following the date on which the Effective Time occurs (the "Post Merger Value") and (B) 0.72 and (y) $6.60 divided by (ii) the Post Merger Value.

ARTICLE 2
THE SURVIVING CORPORATION

SECTION 2.1. Certificate of Incorporation. The certificate of incorporation of NHL in effect at the Effective Time shall, except as may be amended to give effect, as necessary, to the provisions of this Agreement and the HLR Stockholder Agreement, be the certificate of incorporation of the Surviving Corporation until amended in accordance with applicable law.

SECTION 2.2. Bylaws. The bylaws of NHL in effect at the Effective Time shall, except as may be amended to give effect, as necessary, to the provisions of this Agreement and the HLR Stockholder Agreement, be the bylaws of the Surviving Corporation until amended in accordance with applicable law.

SECTION 2.3. Directors and Officers. From and after the Effective Time, (i) the number of directors constituting the Board of Directors of NHL shall be seven and shall be comprised of three members designated by HLR and four persons who are mutually acceptable to NHL and HLR, until successors are duly elected or appointed and qualified in accordance with applicable law and the HLR Stockholder Agreement, and (ii) the executive officers of the Surviving Corporation shall be such Persons as are identified on a certificate delivered by HLR to NHL prior to the Effective Time, which certificate, upon the delivery thereof, shall be deemed to be incorporated into this Agreement for purposes hereof.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF NHL

NHL represents and warrants to RBL and HLR that, except as set forth on the disclosure schedule delivered by NHL to HLR prior to the execution of this Agreement (the "NHL Disclosure Schedule"):

SECTION 3.1. Corporate Existence and Power. NHL is a corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated and has all corporate powers required to carry on its business as now being conducted. NHL is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where the character of the property owned or leased by it or the nature of its activities makes such qualification necessary, except for those jurisdictions where the failure to be so qualified would not, individually or in the aggregate, have a material adverse effect on the business, financial condition, assets, results of operations or prospects of NHL and its Subsidiaries, taken as a whole (an "NHL Material Adverse Effect"), or NHL's ability to perform its obligations under this Agreement, the HLR Stockholder Agreement, the Warrant Agreement or the Sharing and Call Option Agreement. NHL has heretofore delivered to HLR true and complete copies of its certificate of incorporation and bylaws and the certificate of incorporation and bylaws of each of its Subsidiaries, in each case as currently in effect. For purposes of this Agreement, "Subsidiary" of any Person means any entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions are directly or indirectly owned by such Person. For purposes of this Agreement, a "Significant Subsidiary" of a Person means any Subsidiary of such Person that constitutes a Significant Subsidiary within the meaning of Rule 1-02 of Regulation S-X of the Securities and Exchange Commission (the "SEC").

SECTION 3.2. Corporate Authorization. The execution, delivery and performance by NHL of this Agreement, the HLR Stockholder Agreement, the Warrant Agreement and the Sharing and Call Option Agreement, the consummation by NHL of the transactions contemplated hereby (including, without limitation, the Merger, the delivery of the Conversion Consideration, the issuance of the HLR-NHL Shares and of the Warrants and the NHL Common Stock issuable thereunder) and thereby are within NHL's corporate powers and, except for any required approval by NHL's stockholders in connection with the consummation of the Merger (including any amendments to NHL's certificate of incorporation as

referred to in Section 2.1 and the treatment of the Employee Stock Options as referred to in Section 1.5) have been duly authorized by all necessary corporate action. Each of this Agreement and the Sharing and Call Option Agreement constitutes, and each of the HLR Stockholder Agreement, and the Warrant Agreement when executed and delivered by NHL, will constitute, a valid and binding agreement of NHL.

SECTION 3.3. Governmental Authorization. The execution, delivery and performance by NHL of this Agreement, the HLR Stockholder Agreement, the Warrant Agreement and the Sharing and Call Option Agreement, and the consummation by NHL of the transactions contemplated hereby (including, without limitation, the Merger, the delivery of the Conversion Consideration, the issuance of the HLR-NHL Shares and of the Warrants and the NHL Common Stock issuable thereunder) and thereby require no action by, or filing with, any governmental body, agency, official or authority other than (i) the filing of a certificate of merger in accordance with Delaware Law and any amendments to NHL's certificate of incorporation as referred to in Section 2.1, (ii) compliance with any applicable requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), (iii) compliance with any applicable requirements of the Securities Exchange Act of 1934, as amended (the "1934 Act"), (iv) compliance with any applicable requirements of the Securities Act of 1933, as amended (the "1933 Act"), (v) compliance with any applicable foreign or state securities or "blue sky" laws and (vi) such actions by or filings with governmental bodies, agencies, officials or authorities, the failure of which to obtain or make would not reasonably be expected to have, individually or in the aggregate (A) an NHL Material Adverse Effect, (B) impair the ability of NHL to perform its obligations under this Agreement, the HLR Stockholder Agreement, the Warrant Agreement or the Sharing and Call Option Agreement, or (C) prevent the consummation of any of the transactions contemplated by this Agreement, the HLR Stockholder Agreement, the Warrant Agreement or the Sharing and Call Option Agreement.

SECTION 3.4. Non-Contravention. The execution, delivery and performance by NHL of this Agreement, the HLR Stockholder Agreement, the Warrant Agreement and the Sharing and Call Option Agreement do not, and the consummation by NHL of the transactions contemplated hereby and thereby do not and will not (i) contravene or conflict with the certificate of incorporation (taking into account appropriate amendments contemplated by Section 2.1 hereof) or the bylaws of NHL or the organizational documents of any of its Subsidiaries, (ii) assuming compliance with the matters referred to in Section 3.3, contravene or conflict with or constitute a violation of any provision of any law, regulation, judgment, injunction, order or decree binding upon or applicable to NHL or any of its Subsidiaries, (iii) constitute a default under or give rise to a right of termination, cancellation or acceleration of any right or obligation of NHL or any of its Subsidiaries or to a loss of any benefit to which NHL or any of its Subsidiaries is entitled under any provision of any agreement, contract or other instrument binding upon NHL or any of its Subsidiaries or any license, franchise, permit or other similar authorization held by NHL or any of its Subsidiaries, or (iv) result in the creation or imposition of any Lien on any asset of NHL or any of its Subsidiaries, except, with respect to clauses (ii), (iii) and (iv) above, for contraventions, conflicts, defaults, rights of termination, cancellation or acceleration, losses of benefits and creation or imposition of Liens that would not reasonably be expected to have, individually or in the aggregate, an NHL Material Adverse Effect. For purposes of this Agreement, "Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset.

SECTION 3.5. Capitalization. The authorized capital stock of NHL consists of 10,000,000 shares of preferred stock, par value $0.10 per share ("NHL Preferred Stock"), and 220,000,000 NHL Shares. As of December 12, 1994, (a) there were issued and outstanding 84,761,817 NHL Shares and no shares of NHL Preferred Stock, (b) no NHL Shares were held in NHL's treasury and (c) 1,756,507 NHL Shares were reserved for issuance upon exercise of outstanding Employee Stock Options (of which options to purchase an aggregate of 3,527,876 NHL Shares were vested and exercisable). All outstanding shares of capital stock of NHL are validly issued, fully paid and nonassessable and free and clear of any preemptive or similar rights. All shares of NHL Common Stock issuable as HLR-NHL Shares in the Merger and all shares of NHL Common Stock issuable upon exercise of the Warrants will be, upon issuance thereof, validly issued, fully paid and nonassessable and free of any preemptive or similar rights. Except as set forth in this Section 3.5, and except for the exercise or conversion of Employee Stock Options outstanding on December 12, 1994 there are outstanding (i) no shares of capital stock or other voting securities of NHL, (ii) no securities of NHL convertible into or exchangeable for shares of capital stock or voting securities of NHL and (iii) no options or other rights to acquire from NHL, and no obligation of NHL to issue, any capital stock, voting securities or securities convertible into or exchangeable for capital stock or other voting securities of NHL (the items in clauses (i), (ii) and (iii) above being referred to collectively as the "NHL Securities"). There

are no outstanding obligations of NHL or any of its Subsidiaries to repurchase, redeem or otherwise acquire any NHL Securities.

SECTION 3.6. Subsidiaries. (a) Each Subsidiary of NHL is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation, has all corporate powers required to carry on its business as now being conducted and is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where the character of the property owned or leased by it or the nature of its activities make such qualification necessary, except for those jurisdictions where failure to be so qualified would not, individually or in the aggregate, have an NHL Material Adverse Effect. NHL has delivered to HLR a list of all of NHL's Subsidiaries. There are no partnerships or joint venture arrangements or other business entities in which NHL or any Subsidiary of NHL owns an equity interest that is material to the business of NHL and its Subsidiaries, taken as a whole.

(b) All of the outstanding capital stock of each Subsidiary of NHL is owned by NHL, directly or indirectly, free and clear of any Lien and free of any other limitation or restriction (including any restriction on the right to vote, sell or otherwise dispose of such capital stock) other than any such limitations or restrictions imposed by statutes or regulations of general applicability. There are no outstanding (i) securities of NHL or any of its Subsidiaries convertible into or exchangeable for shares of capital stock or other voting securities of any of NHL's Subsidiaries, or (ii) options or other rights to acquire from NHL or any Subsidiary, and no other obligation of NHL or any Subsidiary of NHL to issue, any capital stock, voting securities of, or any securities convertible into or exchangeable for any capital stock or other voting securities of any Subsidiary of NHL (the items in clauses (i) and (ii) being referred to collectively as the "NHL Subsidiary Securities"). There are no outstanding obligations of NHL or any Subsidiary of NHL to repurchase, redeem or otherwise acquire any outstanding NHL Subsidiary Securities.

(c) Neither NHL nor any Affiliate of NHL:

(i) is currently engaged in the manufacture or production of drugs of abuse reagent products in the United States; or

(ii) owns presently (or has owned within the two-year period prior hereto):

(A) any stock, share capital, equity or other interest in any concern, corporate or non-corporate, engaged in at the time of such acquisition, or within the two years preceding such acquisition engaged in, the manufacture or production of drugs of abuse reagent products in the United States; or

(B) any assets used or previously used (and still suitable for use) in the manufacture and production of drugs of abuse reagent products in the United States to which annual sales of $3,000,000 or more of drugs of abuse reagent products are or in the past have been attributable.

SECTION 3.7. SEC Filings. (a) NHL has filed all required reports, forms, and other documents with the SEC since January 1, 1992 (the "SEC Documents"). As of their respective dates, the SEC Documents complied in all material respects with the requirements of the 1933 Act or the 1934 Act, as the case may be, and the rules and regulations of the SEC promulgated thereunder applicable to such SEC Documents, and none of the SEC Documents contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Except to the extent that information contained in any SEC Document has been revised or superseded by a later-filed SEC Document filed and publicly available prior to the date hereof, none of the SEC Documents contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(b) No such registration statement referred to in Section 3.7(a), as amended or supplemented, if applicable, filed pursuant to the 1933 Act as of the date such statement or amendment became effective contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading.

SECTION 3.8. Financial Statements. The financial statements of NHL included in the SEC Documents comply as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, have been prepared in accordance with generally accepted accounting principles ("GAAP") (except, in the case of unaudited

statements, as permitted by Form 10-Q of the SEC) applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto) and fairly present the consolidated financial position of NHL and its consolidated Subsidiaries as of the dates thereof and the consolidated results of their operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments).

SECTION 3.9. Disclosure Documents. (a) None of the information supplied or to be supplied by NHL specifically for inclusion or incorporation by reference in (i) the registration statement on Form S-4 to be filed with the SEC by NHL in connection with the issuance of NHL Shares in the Merger (the "Registration Statement", which Registration Statement will include a resale prospectus) will, at the time the Registration Statement is filed with the SEC, at any time it is amended or supplemented or at the time it becomes effective under the 1933 Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, or (ii) the proxy statement relating to the approval by the stockholders of NHL of the Merger and certain other matters, together with all other related proxy materials prepared in connection with the NHL Stockholder Meeting relating to the Merger (the "NHL Proxy Statement") will, at the date the NHL Proxy Statement is first mailed to NHL's stockholders or at the time of the NHL Stockholder Meeting, contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The Registration Statement will comply as to form in all material respects with the requirements of the 1933 Act and the rules and regulations promulgated thereunder and the NHL Proxy Statement will comply as to form in all material respects with the requirements of the 1934 Act and the rules and regulations promulgated thereunder.

(b) The representations and warranties contained in Sections 3.9(a) will not apply to statements included in or omissions from the Registration Statement or the NHL Proxy Statement based upon information furnished to NHL by or on behalf of HLR or RBL specifically for use therein or information that is omitted by HLR or RBL.

SECTION 3.10. Absence of Certain Changes. Except as disclosed in the SEC Documents, since December 31, 1993 NHL has conducted its business only in the ordinary course, and except as specifically contemplated by this Agreement there has not been:

(a) any material adverse change in the business, financial condition, assets or results of operations of NHL and its Subsidiaries, taken as a whole, or any event, occurrence or development of or in a state of circumstances or facts (including, without limitation, any development of or in a state of facts or any change in the estimated or expected exposure arising or occurring after the date hereof relating to any litigation or investigation disclosed, or required to be disclosed, pursuant to Section 3.12 or Section 5.5 hereof or in any SEC Document referred to in Section 3.12) known to NHL or any Subsidiary of NHL which could reasonably be expected to result in such a material adverse change (an "NHL Material Adverse Change");

(b)any declaration, setting aside or payment of any dividend or other distribution with respect to any shares of capital stock of NHL, or any repurchase, redemption or other acquisition by NHL or any of its Subsidiaries of any outstanding shares of capital stock or other securities of, or other ownership interests in, NHL or any of its Subsidiaries;

(c)any amendment of any material term of any outstanding NHL Securities or any NHL Subsidiary Securities;

(d)any incurrence, assumption or guarantee by NHL or any of its Subsidiaries of any indebtedness for borrowed money other than in the ordinary course of business and in an amount not in excess of $25,000,000 and which is on terms consistent with past practices;

(e)any creation or assumption by NHL or any of its Subsidiaries of any Lien on any material asset other than in the ordinary course of business consistent with past practices;

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

(g)any damage, destruction or other casualty loss (whether or not covered by insurance) affecting the business or assets of NHL or any of its Subsidiaries which, individually or in the aggregate, has had or would reasonably be expected to have an NHL Material Adverse Effect;

(h)any transaction or commitment made, or any contract or agreement entered into, by NHL or any of its Subsidiaries relating to its assets or business (including the acquisition or disposition of any assets) or any relinquishment by NHL or any of its Subsidiaries of any contract or other right, in either case, material to NHL and its Subsidiaries taken as a whole, other than transactions and commitments in the ordinary course of business consistent with past practice;

(i)any change in any method of accounting or accounting practice by NHL or any of its Subsidiaries, except for any such change required by reason of a concurrent change in GAAP or which is disclosed in the SEC Documents;

(j)any (i) grant of any severance or termination pay other than pursuant to existing contracts, plans or arrangements to any director, officer or employee of NHL or any of its Subsidiaries whose total annual compensation and bonus is in excess of $200,000, (ii) entering into of any employment, deferred compensation or other similar agreement (or any amendment to any such existing agreement) involving annual total compensation and bonus in excess of $200,000 with any director, officer or employee of NHL or any of its Subsidiaries, (iii) any amendment or change that increases compensation or benefits payable under any existing severance or termination pay plans, policies or employment agreements which change or amendment is applicable to a class or classes of employees or officers covered thereby other than as expressly required therein or (iv) increase in compensation, bonus or other benefits payable to directors, officers or employees of NHL or any of its Subsidiaries, whose total annual compensation and bonus is in excess of $200,000, except as expressly required by any existing employment agreements, or pursuant to compensation plans and policies in effect December 31, 1993 or set forth on the NHL Disclosure Schedule; or

(k)any labor dispute, other than routine individual grievances, or any activity or proceeding by a labor union or representative thereof to organize any employees of NHL or any of its Subsidiaries, which employees were not subject to a collective bargaining agreement prior to or on December 31, 1993, or any lockouts, strikes, slowdowns, work stoppages or threats thereof by or with respect to such employees.

SECTION 3.11. No Undisclosed Material Liabilities. Except as set forth in the SEC Documents, neither NHL nor any of its Subsidiaries has any liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise) ("Liabilities") required by GAAP to be set forth on a consolidated balance sheet of NHL and its consolidated Subsidiaries or in the notes thereto and neither NHL nor any of its Subsidiaries has, to the knowledge of NHL, incurred any Liabilities since December 31, 1993 which, whether or not required by GAAP to be set forth on such a consolidated balance sheet, when considered together with any corresponding asset resulting from the event which gave rise to such liability, individually or in the aggregate, have had or could reasonably be expected to have an NHL Material Adverse Effect.

SECTION 3.12. Litigation. Except as set forth in the SEC Documents, there is no action, suit, investigation or proceeding pending, or to the knowledge of NHL threatened (or, to the knowledge of NHL or its Subsidiaries, any basis therefor), against NHL or any of its Subsidiaries or any of their respective properties before any court or arbitrator or any governmental body, agency or official that could reasonably be expected to (A) have an NHL Material Adverse Effect, (B) impair the ability of NHL to perform its obligations under this Agreement, the HLR Stockholder Agreement, the Warrant Agreement or the Sharing and Call Option Agreement or (C) prevent or materially delay the consummation of any of the transactions contemplated by this Agreement, the HLR Stockholder Agreement, the Warrant Agreement or the Sharing and Call Option Agreement.

SECTION 3.13. Taxes. Except as set forth in the SEC Documents, (a) NHL, its Subsidiaries and the NHL Group (as defined in Section 8.1) have filed, been included in or sent, all material returns, declarations and reports and information returns and statements required to be filed or sent by or relating to any of them relating to any Taxes (as defined below) with respect to any material income, properties or operations of NHL, any of its Subsidiaries or the NHL Group prior to the Effective Time (collectively, "NHL Returns"), (b) as of the time of filing, the NHL Returns correctly reflected in all material respects the facts regarding the income, business, assets, operations, activities and status of NHL, its Subsidiaries and the NHL Group and any other information required to be shown therein, (c) NHL, its Subsidiaries and the NHL Group have timely paid or made provision for all material Taxes that have been shown as due and payable on the NHL Returns that have been filed, (d) NHL, its Subsidiaries and the NHL Group have made or will make provision for all material Taxes payable for any periods that end before the Effective Time for which no NHL Returns have yet been filed and for any periods that begin before the Effective Time and end after the Effective Time to the extent such Taxes are attributable to the portion of any such period ending at the

Effective Time, (e) the charges, accruals and reserves for Taxes reflected on the books of NHL, its Subsidiaries and the NHL Group are adequate to cover the Tax liabilities accruing or payable by NHL, its Subsidiaries and the NHL Group in respect of periods prior to the date hereof, (f) none of NHL, any of its Subsidiaries or the NHL Group is delinquent in the payment of any material Taxes or has requested any extension of time within which to file or send any material NHL Return, which NHL Return has not since been filed or sent, (g) no material deficiency for any Taxes has been proposed, asserted or assessed in writing against NHL, any of its Subsidiaries or the NHL Group other than those Taxes being contested in good faith, (h) the federal income tax returns of the NHL Group have been examined by and settled with the Internal Revenue Service (the "IRS") for all years through 1984, (i) none of NHL, any of its Subsidiaries or the NHL Group has granted any extension of the limitation period applicable to any material Tax claims (which period has not since lapsed) other than those Taxes being contested in good faith, (j) none of NHL, any of its Subsidiaries or the NHL Group has any contractual obligations under any material Tax sharing agreement with any corporation which, as of the Effective Time, is not a member of the NHL Group, and (k) neither NHL nor any of its Subsidiaries has taken any action or has any knowledge of any fact or circumstance that is reasonably likely to prevent the Merger from qualifying as a reorganization within the meaning of Section 368(a)(1) of the Code.

"Tax" or "Taxes" means with respect to any Person (i) any net income, gross income, gross receipts, sales, use, ad valorem, franchise, profits, license, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, value-added or windfall profit tax, custom duty or other tax, governmental fee or other like assessment or charge of any kind whatsoever, together with any interest and any penalty, addition to tax or additional amount imposed by any taxing authority (domestic or foreign) on such Person and (ii) any liability of such Person or any of its Subsidiaries for the payment of any amount of the type described in clause (i) as a result of being a member of an affiliated or combined group.

SECTION 3.14. ERISA. (a) The NHL Disclosure Schedule identifies each "employee benefit plan", as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974 ("ERISA"), which (i) is subject to any provision of ERISA and (ii) is maintained, administered or contributed to by NHL or any ERISA Affiliate (as defined below) and covers any employee or former employee of NHL or any Subsidiary of NHL or under which NHL or any ERISA Affiliate has any liability. Copies of such plans (and, if applicable, related trust agreements, group annuity contracts and summary plan descriptions) and all amendments thereto and written interpretations thereof have been furnished or made available upon request to HLR and RBL together with (x) the most recent annual report (Form 5500 including, if applicable, Schedule B thereto) prepared in connection with any such plan and (y) the most recent actuarial valuation report prepared in connection with any such plan. Such plans are referred to collectively herein as "NHL Employee Plans". For purposes of this Section, "ERISA Affiliate" of any Person means any other Person which, together with such Person, would be treated as a single employer under Section 414 of the Code.

(b)Except as otherwise identified in the NHL Disclosure Schedule:

(i) no NHL Employee Plan constitutes a "multiemployer plan", as defined in Section 3(37) of ERISA (a "Multiemployer Plan"), and no NHL Employee Plan is maintained in connection with any trust described in Section 501(c)(9) of the Code;

(ii) no NHL Employee Plans are subject to Title IV of ERISA (the "NHL Retirement Plans");

(iii) as of December 31, 1993, the fair market value of the assets of each NHL Retirement Plan (excluding for these purposes any accrued but unpaid contributions) exceeded the accumulated benefit obligation, as determined in accordance with GAAP, under such NHL Retirement Plan;

(iv) no "accumulated funding deficiency", as defined in Section 412 of the Code, has been incurred with respect to any NHL Retirement Plan, whether or not waived;

(v) no "reportable event", within the meaning of Section 4043 of ERISA, and no event described in Section 4041, 4042, 4062 or 4063 of ERISA has occurred in connection with any NHL Employee Plan, other than a "reportable event" that will not have an NHL Material Adverse Effect;

(vi) no condition exists and no event has occurred that could constitute grounds for termination of any NHL Retirement Plan or, with respect to any NHL Employee Plan which is a Multiemployer Plan, presents a material risk of a complete or partial withdrawal under Title IV of ERISA;

(vii) neither NHL nor any of its ERISA Affiliates has incurred any material liability under Title IV of ERISA arising in connection with the termination of, or complete or partial withdrawal from, any plan covered or previously covered by Title IV of ERISA;

(viii) if a "complete withdrawal" by NHL and all of its ERISA Affiliates were to occur as of the Effective Time with respect to all NHL Employee Plans which are Multiemployer Plans, neither NHL nor any ERISA Affiliate would incur any withdrawal liability under Title IV of ERISA;

(ix) nothing done or omitted to be done and no transaction or holding of any asset under or in connection with any NHL Employee Plan has made or will make NHL or any of its Subsidiaries, any officer or director of NHL or any of its Subsidiaries subject to any liability under Title I of ERISA or liable for any Tax pursuant to Section 4975 of the Code that could have an NHL Material Adverse Effect; and

(x) neither NHL nor any of its ERISA Affiliates (A) has engaged in a transaction described in Section 4069 of ERISA that could subject NHL to material liability at any time after the date hereof or (B) has acted in a manner that could, or failed to act so as to, result in fines, penalties, taxes or related charges under (x) Section 502(c), (i) or (1) or ERISA, (y) Section 4071 of ERISA or (z) Chapter 43 of the Code, which penalties, taxes or related charges, individually or in the aggregate, would constitute a liability in a material amount.

(c)Each NHL Employee Plan which is intended to be qualified under Section 401(a) of the Code has received a favorable IRS determination letter to such effect and NHL knows of no event or circumstance occurring or existing since the date of such letter that would adversely affect such NHL Employee Plan's qualified status. NHL has furnished or made available upon request to HLR and RBL copies of the most recent IRS determination letters with respect to each such Plan. Each NHL Employee Plan has been maintained in substantial compliance with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations, including but not limited to ERISA and the Code, which are applicable to such Plan. There are no investigations by any governmental agency, termination proceedings or other claims (except claims for benefits payable in the normal operation of the NHL Employee Plans), suits or proceedings against or involving any NHL Employee Plan or asserting any rights to or claims for benefits under any NHL Employee Plan that could give rise to any material liability, and there are not any facts that could give rise to any material liability in the event of any such investigation, claim, suit or proceeding.

(d)There is no contract, agreement, plan or arrangement covering any employee or former employee of NHL or any ERISA Affiliate that, individually or collectively, could give rise to the payment of any amount that would not be deductible pursuant to the terms of Section 280G of the Code. No employee of NHL or any of its Subsidiaries will be entitled to any additional benefits or any acceleration of the time of payment or vesting of any NHL benefits under any NHL Benefit Arrangements (as defined below in Section3.14(e)) as a result of the transactions contemplated by this Agreement.

(e)NHL has furnished or made available upon request to RBL copies or descriptions of each employment, severance or other similar contract, arrangement or policy providing for annual compensation in excess of $200,000 and each plan or arrangement (written or oral) providing for insurance coverage (including any self-insured arrangements), workers' compensation, disability benefits, supplemental unemployment benefits, vacation benefits, retirement benefits or for deferred compensation, profit-sharing, bonuses, stock options, stock appreciation or other forms of incentive compensation or post-retirement insurance, compensation or benefits which (i) is not an Employee Plan, (ii) is entered into, maintained or contributed to, as the case may be, by NHL or any of its Subsidiaries and (iii) covers any employee or former employee of NHL or any of its Subsidiaries, to the extent existing on the date hereof. The above arrangements (whether or not existing as of the date hereof) are referred to collectively herein as the "NHL Benefit Arrangements"). Each NHL Benefit Arrangement has been maintained in substantial compliance with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations that are applicable to such NHL Benefit Arrangement.

(f)Except as disclosed in the NHL Disclosure Schedule, neither NHL nor any of its Subsidiaries has any current or projected liability in respect of post-employment or post-retirement health and medical benefits for retired or former employees of NHL and its Subsidiaries, except as required to avoid excise tax under Section 4980B of the Code; and no condition exists that would prevent NHL or any of its Subsidiaries from amending or terminating any NHL Employee Plan or NHL Benefit Arrangement providing health or medical benefits in respect of any active employee of NHL or any of its Subsidiaries other than

limitations imposed under the terms of a collective bargaining agreement.

(g)Except as disclosed in the NHL Disclosure Schedule, there has been no amendment to, written interpretation or announcement (whether or not written) by NHL or any of its ERISA Affiliates relating to, or change in employee participation or coverage under, any NHL Employee Plan or NHL Benefit Arrangement which would increase materially the expense of maintaining such NHL Employee Plan or NHL Benefit Arrangement above the level of the expense incurred in respect thereof for the fiscal year ended on December 31, 1993 (other than those that would not result in the representation and warranty set forth in Section 3.10(j) becoming untrue as of the Effective Time).

(h)Neither NHL nor any of its Subsidiaries is a party to or subject to any collective bargaining or other labor union contracts applicable to persons employed by NHL or its Subsidiaries and no collective bargaining agreement is being negotiated by NHL or any of its Subsidiaries. As of the date of this Agreement, to the knowledge of NHL, neither NHL nor its Subsidiaries, nor their respective representatives or employees, has committed any unfair labor practices in connection with the operation of the respective businesses of NHL or its Subsidiaries, and there is no pending or threatened in writing charge or complaint against NHL or its Subsidiaries by the National Labor Relations Board (the "NLRB") or any comparable state agency, except where such unfair labor practice, charge or complaint would not have an NHL Material Adverse Effect.

SECTION 3.15. Compliance with Laws; Permits. (a) Except as set forth in the SEC Documents and except for violations which do not have and would not reasonably be expected to have, individually or in the aggregate, an NHL Material Adverse Effect, neither NHL nor any of its Subsidiaries is in violation of, or has violated, any applicable provisions of any laws, statutes, ordinances or regulations or any term of any judgment, decree, injunction or order outstanding against it.

(b)As of the date of this Agreement, each of NHL and each of its Subsidiaries is in possession of all franchises, grants, authorizations, licenses, permits, easements, variances, exemptions, consents, certificates, identification numbers, approvals and orders (collectively, the "NHL Permits") necessary to own, lease and operate its properties and to carry on its business as it is now being conducted, and there is no action, proceeding or investigation pending or, to the knowledge of NHL, threatened regarding suspension or cancellation of any of the NHL Permits, except where the failure to possess, or the suspension or cancellation of, such NHL Permits would not reasonably be expected to have, individually or in the aggregate, an NHL Material Adverse Effect.

SECTION 3.16. Finders' Fees. Except for Morgan Stanley & Co. Incorporated ("Morgan Stanley"), whose fees in the amount previously disclosed to HLR will be paid by NHL, and as contemplated herein, there is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of, NHL or any of its Subsidiaries which might be entitled to any fee or commission from HLR or any of its Affiliates upon consummation of the transactions contemplated by this Agreement.

SECTION 3.17. Other Information. NHL's projections and forward-looking information furnished by NHL to HLR were prepared in good faith and represent NHL's best estimate as of the date hereof as to the subject matter thereof; provided that NHL makes no representation or warranty as to the completeness or accuracy of the projections or forward-looking information furnished by NHL to HLR.

SECTION 3.18. Environmental Matters. Except as set forth in the SEC Documents:

(a) (i) no notice, notification, notice of violation, demand, request for information, investigation (whether civil or criminal), citation, summons, complaint, order or other similar document has been received by, or, to the knowledge of NHL or any of its Subsidiaries, is pending or threatened by any Person against, NHL or any of its Subsidiaries, nor has any material penalty been assessed against NHL or any of its Subsidiaries in either case with respect to any (A) alleged violation of any Environmental Law or liability thereunder, (B) alleged failure to have any permit, certificate, license, approval, registration or authorization required under any Environmental Law, (C) generation, treatment, storage, recycling, transportation or disposal of any Hazardous Substance or (D) Release of any Hazardous Substance;

(ii) no Hazardous Substance has been Released or is present at any property now owned, leased or operated by NHL or any of its Subsidiaries nor, to the knowledge of NHL, has any Hazardous Substance been Released at any property formerly owned, leased or operated by NHL, which Release or presence, individually or in the aggregate, could

reasonably be expected to result in an NHL Material Adverse Effect;

(iii) there are no NHL Environmental Liabilities that have had or may reasonably be expected to have, individually or in the aggregate, an NHL Material Adverse Effect; and

(iv) there are no circumstances relating to the disposal of Hazardous Substances from any properties at the time they were owned, leased or operated by NHL that could give rise to liabilities under Environmental Laws which could reasonably be expected to result in, individually or in the aggregate, an NHL Material Adverse Effect.

(b) There has been no environmental investigation, study, audit, test, review or other analysis conducted since 1989 of which NHL has knowledge in relation to the current or prior business of NHL or any property or facility now or previously owned, leased or operated by NHL or any of its Subsidiaries the contents of which could reasonably be expected to result in an NHL Material Adverse Effect.

(c) Neither NHL nor any of its Subsidiaries owns or leases any real property or an industrial facility, or conducts any operations, in New Jersey or Connecticut.

(d) For purposes of this Section 3.18, the following terms shall have the meanings set forth below:

(i) "NHL" and "Subsidiary" shall include any entity which is, in whole or in part, a predecessor of NHL or any of its Subsidiaries.

(ii) "NHL Environmental Liabilities" means any and all liabilities of or relating to NHL and any of its Subsidiaries, whether vested or unvested, contingent or fixed, actual or potential, known or unknown, which (A) arise under or relate to matters covered by Environmental Laws and (B) arose from actions occurring or conditions existing on or prior to the Effective Time.

(e) For purposes of this Section 318 and Section 416, the following terms shall have the meanings set forth below:

(i) "Environmental Laws" means any and all federal, state, local and foreign statutes, laws, judicial decisions, regulations, ordinances, rules, judgments, orders, decrees, codes, injunctions, permits, licenses, agreements and governmental restrictions (whether now or hereinafter in effect), relating to human health, the environment or to emissions, discharges, Releases or threatened Releases of Hazardous Substances or wastes into the environment, including, without limitation, ambient air, surface water, ground water or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Substances or wastes or the investigation, clean-up, remediation or monitoring thereof.

(ii) "Hazardous Substances" means any toxic, radioactive, caustic, corrosive, infectious, mutagenic, carcinogenic or otherwise hazardous waste, material or substance, including petroleum, its derivatives, by-products and other hydrocarbons, or any substance having any constituent elements displaying any of the foregoing characteristics, including, without limitation, any substance which meets the definition of "hazardous substance" contained in 42 U.S.C. Section 9601(14).

(iii) "Release" means any discharge, emission or release, including a Release as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA") at 42 U.S.C. Section 9601(22). The term "Released" has a corresponding meaning.

SECTION 3.19. Takeover Statutes. The Board of Directors of NHL has approved the HLR Stockholder Agreement, the Merger, the Warrants, the Sharing and Call Option Agreement and this Agreement, and such approval is sufficient to render inapplicable to the HLR Stockholder Agreement, the Merger, the Warrants, the Sharing and Call Option Agreement and this Agreement and the transactions contemplated or permitted thereby and hereby, the provisions of Section 203 of Delaware Law. To NHL's knowledge, no other state takeover statute or similar statute or regulation applicable to NHL applies or purports to apply to the HLR Stockholder Agreement, the Merger, the Warrants, the Sharing and Call Option Agreement or this Agreement, or any of the transactions contemplated thereby and hereby.

SECTION 3.20. Opinion of Financial Advisor. NHL has received the opinion of Morgan Stanley & Co. Incorporated dated the date of this Agreement

to the effect that the aggregate consideration to be received by the stockholders of NHL in connection with the Merger, when taken together with the Warrants to be dividended to such stockholders, is fair, from a financial point of view, to such stockholders.

SECTION 3.21. Vote Required. The affirmative vote of the holders of a majority of the outstanding shares of NHL Common Stock is the only vote of the holders of any class or series of NHL securities necessary to approve the Merger and the other transactions contemplated by this Agreement and any amendments to the certificate of incorporation of NHL as referred to in Section 2.1.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF HLR AND RBL

HLR and RBL represent and warrant to NHL that, except as set forth on the disclosure schedule delivered by RBL to NHL prior to the execution of this Agreement (the "RBL Disclosure Schedule"):

SECTION 4.1. Corporate Existence and Power. Each of HLR and RBL is a corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated and has all corporate powers required to carry on its business as now being conducted. Each of HLR and RBL is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where the character of the property owned or leased by it or the nature of its activities makes such qualification necessary, except for those jurisdictions where the failure to be so qualified would not, individually or in the aggregate, have a material adverse effect on the business, financial condition, results of operations or prospects of RBL and its Subsidiaries, taken as a whole (a "RBL Material Adverse Effect"), or RBL's ability to perform its obligations hereunder or under the HLR Stockholder Agreement. RBL has heretofore delivered to NHL true and complete copies of its certificate of incorporation and bylaws and the certificate of incorporation and bylaws of each of its Subsidiaries, in each case as currently in effect.

SECTION 4.2. Corporate Authorization. The execution, delivery and performance by each of HLR and RBL of this Agreement, the HLR Stockholder Agreement and the Sharing and Call Option Agreement and the consummation by HLR and RBL of the transactions contemplated hereby and thereby are within their respective corporate powers and, except for any required approval by HLR as RBL's sole stockholder in connection with the consummation of the Merger, have been duly authorized by all necessary corporate action. This Agreement constitutes a valid and binding agreement of each of HLR and RBL, and the HLR Stockholder Agreement when executed and delivered by HLR will constitute, a valid and binding agreement of HLR.

SECTION 4.3. Governmental Authorization. The execution, delivery and performance by each of HLR and RBL of this Agreement and by HLR of each of the HLR Stockholder Agreement and the Sharing and Call Option Agreement and the consummation of the Merger by RBL and the other transactions contemplated hereby and thereby require no action by, or filing with, any governmental body, agency, official or authority other than (i) the filing of a certificate of merger in accordance with Delaware Law, (ii) compliance with any applicable requirements of the HSR Act, (iii) compliance with any applicable requirements of the 1933 Act, (iv) compliance with any applicable requirements of the 1934 Act, (v) compliance with any applicable foreign or state securities or "blue sky" laws, (vi) the filing of a notice pursuant to Section 721 of the Defense Production Act of 1950 ("Exon-Florio"), and (vii) such actions by or filings with governmental bodies, agencies, officials or authorities, the failure of which to obtain or make would not reasonably be expected to have, individually or in the aggregate (A) a RBL Material Adverse Effect, (B) impair the ability of HLR or RBL to perform any of their respective obligations under this Agreement or impair HLR's ability to perform its obligations under the HLR Stockholder Agreement or the Sharing and Call Option Agreement or (C) prevent the consummation of any of the transactions contemplated by this Agreement, the HLR Stockholder Agreement or the Sharing and Call Option Agreement.

SECTION 4.4. Non-Contravention. The execution, delivery and performance by HLR and RBL of this Agreement and by HLR of the HLR Stockholder Agreement do not, and the consummation by HLR and RBL of the transactions contemplated hereby and thereby do not and will not (i) contravene or conflict with the certificate of incorporation or bylaws of HLR, RBL or any of RBL's Subsidiaries, (ii) assuming compliance with the matters referred to in Section 4.3, contravene or conflict with or constitute a violation of any provision of any law, regulation, judgment, injunction, order or decree binding upon or applicable to HLR, RBL or any of RBL's Subsidiaries, (iii) constitute a default under or give rise to a right of termination, cancellation or acceleration of any right or obligation of HLR, RBL or any of RBL's Subsidiaries or to a loss of any benefit to which HLR, RBL or any

of RBL's Subsidiaries is entitled under any provision of any agreement, contract or other instrument binding upon HLR, RBL or any of RBL's Subsidiaries or any license, franchise, permit or other similar authorization held by HLR, RBL or any of RBL's Subsidiaries or (iv) result in the creation or imposition of any Lien on any asset of HLR, RBL or any of RBL's Subsidiaries, except, with respect to clauses (ii), (iii) and (iv) above, for contraventions, conflicts, defaults, rights of termination, cancellation or acceleration, losses of benefits and creation or imposition of Liens that would not reasonably be expected to have, individually or in the aggregate, a RBL Material Adverse Effect.

SECTION 4.5. Capitalization of RBL. The authorized capital stock of RBL consists of 1000 shares of common stock, no par value per share, 100 shares of which are issued and outstanding and no shares of which are held in RBL's treasury. All of the issued and outstanding capital stock of RBL is validly issued, fully paid and nonassessable and is owned by HLR. Except for such common stock, there are outstanding (i) no shares of capital stock or other voting securities of RBL, (ii) no securities of RBL convertible into or exchangeable for shares of capital stock or voting securities of RBL and (iii) no options or other rights to acquire from RBL, and no obligation of RBL to issue, any capital stock, voting securities or securities convertible into or exchangeable for capital stock or voting securities of RBL. RBL has no liability or obligation in respect of the financing of the HLR Cash Consideration or the Roche Warrant Consideration.

SECTION 4.6. Subsidiaries. (a) Each Subsidiary of RBL is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation, has all corporate powers required to carry on its business as now being conducted and is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where the character of the property owned or leased by it or the nature of its activities make such qualification necessary, except for those jurisdictions where failure to be so qualified would not, individually or in the aggregate, have a RBL Material Adverse Effect. RBL has delivered to NHL a list of all of RBL's Subsidiaries. There are no partnerships or joint venture arrangements or other business entities in which RBL or any Subsidiary of RBL owns an equity interest that is material to the business of RBL and its Subsidiaries, taken as a whole.

(b)All of the outstanding capital stock of each Subsidiary of RBL is owned by RBL, directly or indirectly, free and clear of any Lien and free of any other limitation or restriction (including any restriction on the right to vote, sell or otherwise dispose of such capital stock) other than any such limitations or restrictions imposed by statutes or regulations of general applicability. There are no outstanding (i) securities of RBL or any Subsidiary of RBL convertible into or exchangeable for shares of capital stock or other voting securities of any of RBL's Subsidiaries or (ii) options or other rights to acquire from RBL or any Subsidiary of RBL, and no other obligation of RBL or any Subsidiary of RBL to issue, any capital stock, voting securities of, or any securities convertible into or exchangeable for any capital stock or other voting securities of any of RBL's Subsidiaries (the items in clauses (i) and (ii) being referred to collectively as the "RBL Subsidiary Securities"). There are no outstanding obligations of RBL or any of its Subsidiaries to repurchase, redeem or otherwise acquire any outstanding RBL Subsidiary Securities.

SECTION 4.7. Financial Statements. RBL has delivered to NHL the audited consolidated balance sheet of RBL as of each of December 31, 1993 and December 31, 1992 and the audited statements of income and cash flows for each of the three fiscal years ended December 31, 1993, together with the notes thereto and the report of Price Waterhouse thereon and its unaudited interim financial statements for the nine months ended September 30, 1994 (the "RBL Financial Statements"). The RBL Financial Statements have been prepared in accordance with GAAP applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto) and fairly present the consolidated financial position of RBL and its consolidated Subsidiaries, excluding Roche Image Analysis Systems ("RIAS"), as of the dates thereof and the consolidated results of their operations and cash flows for the periods then ended. For purposes of this Agreement, "RBL Balance Sheet" means the consolidated balance sheet of RBL as of December 31, 1993, and the notes thereto, contained in the RBL Financial Statements and "RBL Balance Sheet Date" means December 31, 1993.

SECTION 4.8. Disclosure Documents. (a) None of the information supplied or to be supplied by HLR or RBL specifically for inclusion or incorporation by reference in (i) the Registration Statement will, at the time the Registration Statement is filed with the SEC, at any time it is amended or supplemented or at the time it becomes effective under the 1933 Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, or (ii) the NHL Proxy Statement will, at the date the NHL Proxy

Statement is first mailed to NHL's stockholders or at the time of the NHL Stockholder Meeting, contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading.

SECTION 4.9. Absence of Certain Changes. Since the RBL Balance Sheet Date, RBL and its Subsidiaries have in all material respects conducted their business in the ordinary course and, except as specifically contemplated by this Agreement, there has not been:

(a)any material adverse change in the business, financial condition, assets or results of operations of RBL and its Subsidiaries, taken as a whole, or any event, occurrence or development of or in a state of circumstances or facts (including, without limitation, any development of or in a state of facts or any change in the estimated or expected exposure arising or occurring after the date hereof relating to any litigation or investigation disclosed, or required to be disclosed, pursuant to Section 4.11 or Section 614 or in any document referred to in Section 4.11) known to RBL or any Subsidiary of RBL which could reasonably be expected to result in such a material adverse change (a "RBL Material Adverse Change");

(b)any declaration, setting aside or payment of any dividend or other distribution with respect to any shares of capital stock of RBL, or any repurchase, redemption or other acquisition by RBL or any of its Subsidiaries of any outstanding shares of capital stock or other securities of, or other ownership interests in, RBL or any of its Subsidiaries;

(c)any amendment of any material term of any outstanding RBL Securities or any RBL Subsidiary Securities;

(d)any incurrence, assumption or guarantee by RBL or any of its Subsidiaries of any indebtedness for borrowed money other than in the ordinary course of business and in an amount not in excess of $25,000,000 and which is on terms consistent with past practices;

(e)any creation or assumption by RBL or any of its Subsidiaries of any Lien on any material asset other than in the ordinary course of business consistent with past practices;

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

(g)any damage, destruction or other casualty loss (whether or not covered by insurance) affecting the business or assets of RBL or any of its Subsidiaries which, individually or in the aggregate, has had or would reasonably be expected to have a RBL Material Adverse Effect;

(h)other than mergers or consolidations of one or more of its Subsidiaries into and with another Subsidiary or into RBL and activities in connection with the transfer of the business and assets of RIAS, any transaction or commitment made, or any contract or agreement entered into, by RBL or any of its Subsidiaries relating to its assets or business (including the acquisition or disposition of any assets) or any relinquishment by RBL or any of its Subsidiaries of any contract or other right, in either case, material to RBL and its Subsidiaries taken as a whole, other than transactions and commitments in the ordinary course of business consistent with past practice;

(i)any change in any method of accounting or accounting practice by RBL or any of its Subsidiaries, except for any such change required by reason of a concurrent change in GAAP;

(j)any (i) grant of any severance or termination pay (other than pursuant to existing contracts, plans or arrangements), to any director, officer or employee of RBL or any of its Subsidiaries whose total annual compensation and bonus is in excess of $200,000, (ii) entering into of any employment, deferred compensation or other similar agreement (or any amendment to any such existing agreement) involving annual total compensation and bonus in excess of $200,000 with any director, officer or employee of RBL or any of its Subsidiaries, (iii) any amendment or change that increases compensation or benefits payable under any existing severance or termination pay plans, policies or employment agreements which change or amendment is applicable to a class or classes of employees or officers covered thereby other than as expressly required therein or (iv) increase in compensation, bonus or other benefits payable to directors, officers or employees of RBL or any of its Subsidiaries, whose total annual compensation and bonus is in excess of $200,000, except as expressly required by any existing employment agreements or pursuant to compensation plans and policies in effect December 31, 1993 or set forth on the RBL Disclosure Schedule; or

(k)any labor dispute, other than routine individual grievances, or any activity or proceeding by a labor union or representative thereof to organize any employees of RBL or any of its Subsidiaries, which employees were not subject to a collective bargaining agreement at the RBL Balance Sheet Date, or any lockouts, strikes, slowdowns, work stoppages or threats thereof by or with respect to such employees.

SECTION 4.10. No Undisclosed Material Liabilities. Except as set forth in the RBL Financial Statements, neither RBL nor any of its subsidiaries has any Liabilities required by GAAP to be set forth on a consolidated balance sheet of RBL and its consolidated Subsidiaries or in the notes thereto and neither RBL nor any of its Subsidiaries has, to its knowledge, incurred any Liabilities since December 31, 1993 which, whether or not required by GAAP to be set forth on such a consolidated balance sheet, when considered together with any corresponding asset resulting from the event which gave rise to such liability, individually and in the aggregate, have had or could reasonably be expected to have an RBL Material Adverse Effect.

SECTION 4.11. Litigation. Except as set forth in the RBL Financial Statements, there is no action, suit, investigation or proceeding pending, or to the knowledge of RBL or its Subsidiaries threatened (or, to the knowledge of RBL or its Subsidiaries, any basis therefor), against RBL or any of its Subsidiaries or any of their respective properties before any court or arbitrator or any governmental body, agency or official that could reasonably be expected to (A) have an RBL Material Adverse Effect, (B) impair the ability of RBL or HLR to perform their respective obligations under this Agreement or impair the ability of HLR to perform its obligations under the HLR Stockholder Agreement or the Sharing and Call Option Agreement or (C) prevent or materially delay the consummation of any of the transactions contemplated by this Agreement, the HLR Stockholder Agreement or the Sharing and Call Option Agreement.

SECTION 4.12. Taxes. Except as set forth in the RBL Financial Statements, (a) RBL, its Subsidiaries and the HLR Group (as defined in Section 8.1) have filed, been included in or sent, all material returns, declarations and reports and information returns and statements required to be filed or sent by or relating to any of them relating to any Taxes with respect to any material income, properties or operations of RBL, any of its Subsidiaries or the HLR Group prior to the Effective Time (collectively, "RBL Returns"), (b) as of the time of filing, the Returns correctly reflected in all material respects the facts regarding the income, business, assets, operations, activities and status of RBL, its Subsidiaries and the HLR Group and any other information required to be shown therein, (c) RBL, its Subsidiaries and the HLR Group have timely paid or made provision for all material Taxes that have been shown as due and payable on the RBL Returns that have been filed, (d) RBL, its Subsidiaries and the HLR Group have made or will make provision for all material Taxes payable for any periods that end before the Effective Time for which no RBL Returns have yet been filed and for any periods that begin before the Effective Time and end after the Effective Time to the extent such Taxes are attributable to the portion of any such period ending at the Effective Time, (e) the charges, accruals and reserves for Taxes reflected on the books of RBL, its Subsidiaries and the HLR Group are adequate to cover the Tax liabilities accruing or payable by RBL, its Subsidiaries and the HLR Group in respect of periods prior to the date hereof, (f) none of RBL, any of its Subsidiaries or the HLR Group is delinquent in the payment of any material Taxes or has requested any extension of time within which to file or send any material RBL Return, which RBL Return has not since been filed or sent, (g) no material deficiency for any Taxes has been proposed, asserted or assessed in writing against RBL, any of its Subsidiaries or the HLR Group other than those Taxes being contested in good faith, (h) the federal income tax returns of the HLR Group have been examined by and settled with the IRS for all years through 1989, (i) none of RBL, any of its Subsidiaries or the HLR Group has granted any extension of the limitation period applicable to any material Tax claims (which period has not since lapsed) other than those Taxes being contested in good faith, (j) none of RBL, any of its Subsidiaries or the HLR Group has any contractual obligations under any material Tax sharing agreement with any corporation which, as of the Effective Time, is not a member of the HLR Group, (k) none of HLR, RBL or its Subsidiaries has taken any action or has any knowledge of any fact or circumstance that is reasonably likely to prevent the Merger from qualifying as a reorganization within the meaning of Section 368(a)(1) of the Code, and (l) except as provided in Section 2.1, HLR has no current plan or intention to cause the Surviving Corporation to amend its certificate of incorporation.

SECTION 4.13. ERISA. (a) The RBL Disclosure Schedule lists each "employee benefit plan", as defined in Section 3(3) of ERISA, which (i) is subject to any provision of ERISA and (ii)(A) is maintained, administered or contributed to by RBL or any ERISA Affiliate and covers any employee of RBL or

any Subsidiary of RBL or under which RBL or any Subsidiary has any liability or (B) is maintained, administered or contributed to by RBL or any Subsidiary and covers any former employee of RBL or any Subsidiary or under which RBL or any Subsidiary has any liability. Copies of such plans (and, if applicable, related trust agreements, group annuity contracts and summary plan descriptions) and all amendments thereto and written interpretations thereof have been furnished or made available upon request to NHL together with (x) the most recent annual report (Form 5500 including, if applicable, Schedule B thereto) prepared in connection with any such plan and (y) the most recent actuarial valuation report prepared in connection with any such plan. Such plans are referred to collectively herein as the "RBL Employee Plans".

(b) Except as otherwise identified in the RBL Disclosure Schedule;

(i) no RBL Employee Plan constitutes a Multiemployer Plan, and no RBL Employee Plan is maintained in connection with any trust described in Section 501(c)(9) of the Code;

(ii) no RBL Employee Plans are subject to Title IV of ERISA (the "RBL Retirement Plans");

(iii) as of the RBL Balance Sheet Date, the fair market value of the assets of each RBL Retirement Plan (excluding for these purposes any accrued but unpaid contributions) exceeded the accumulated benefit obligation, as determined in accordance with GAAP under such RBL Retirement Plan;

(iv) no "accumulated funding deficiency", as defined in Section 412 of the Code, has been incurred with respect to any RBL Retirement Plan, whether or not waived;

(v) no "reportable event", within the meaning of Section 4043 of ERISA, and no event described in Section 4041, 4042, 4062 or 4063 of ERISA has occurred in connection with any RBL Employee Plan, other than a "reportable event" that will not have a Material Adverse Effect;

(vi) no condition exists and no event has occurred that could constitute grounds for termination of any RBL Retirement Plan or, with respect to any RBL Employee Plan which is a Multiemployer Plan, presents a material risk of a complete or partial withdrawal under Title IV of ERISA;

(vii) neither RBL nor any of its ERISA Affiliates has incurred any material liability under Title IV of ERISA arising in connection with the termination of, or complete or partial withdrawal from, any plan covered or previously covered by Title IV of ERISA that would become a liability of RBL after the Effective Time;

(viii) if a "complete withdrawal" by RBL and all of its ERISA Affiliates were to occur as of the Effective Time with respect to all RBL Employee Plans which are Multiemployer Plans, neither RBL nor any ERISA Affiliate would incur any withdrawal liability under Title IV of ERISA that would become a liability of RBL after the Effective Time;

(ix) nothing done or omitted to be done and no transaction or holding of any asset under or in connection with any RBL Employee Plan has made or will make RBL or any of its Subsidiaries, any officer or director of RBL or any of its Subsidiaries subject to any liability under Title I of ERISA or liable for any Tax pursuant to Section 4975 of the Code that could have a RBL Material Adverse Effect; and

(x) neither RBL nor any of its ERISA Affiliates (A) has engaged in a transaction described in Section 4069 of ERISA that could subject RBL to material liability at any time after the date hereof or (B) has acted in a manner that could, or failed to act so as to, result in material fines, penalties, taxes or related charges under (x) Section 502(c), (i) or (1) or ERISA, (y) Section 4071 of ERISA or (z) Chapter 43 of the Code, which penalties, taxes or related charges, individually or in the aggregate, would constitute a liability in a material amount.

(c) Each RBL Employee Plan which is intended to be qualified under Section 401(a) of the Code has received a favorable IRS determination letter to such effect and RBL knows of no event or circumstance occurring or existing since the date of such letter that would adversely affect such RBL Employee Plan's qualified status. RBL has furnished or made available upon request to NHL copies of the most recent IRS determination letters with respect to each such Plan. Each Employee Plan has been maintained in substantial compliance with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations, including but not limited to ERISA and the Code, which are applicable to such Plan. There are no investigations by any governmental agency, termination proceedings or other claims (except claims

for benefits payable in the normal operation of the RBL Employee Plans), suits or proceedings against or involving any RBL Employee Plan or asserting any rights to or claims for benefits under any RBL Employee Plan that could give rise to any material liability, and there are not any facts that could give rise to any material liability in the event of any such investigation, claim, suit or proceeding.

(d) There is no contract, agreement, plan or arrangement covering any employee or former employee of RBL or any Subsidiary that, individually or collectively, could give rise to the payment of any amount that would not be deductible pursuant to the terms of Section 280G of the Code. No employee of NHL or any of its Subsidiaries will be entitled to any additional benefits or any acceleration of the time of payment or vesting of any RBL benefits under any RBL Benefit Arrangements (as defined below in Section 4.13(e)) as a result of the transactions contemplated by this Agreement.

(e) RBL has furnished or made available upon request to NHL copies or descriptions of each employment, severance or other similar contract, arrangement or policy providing for annual compensation in excess of $200,000 and each plan or arrangement (written or oral) providing for insurance coverage (including any self-insured arrangements), workers' compensation, disability benefits, supplemental unemployment benefits, vacation benefits, retirement benefits or for deferred compensation, profit-sharing, bonuses, stock options, stock appreciation or other forms of incentive compensation or post-retirement insurance, compensation or benefits which (i) is not an Employee Plan, (ii) is entered into, maintained or contributed to, as the case may be, by RBL or any of its Subsidiaries and (iii) covers any employee or former employee of RBL or any of its Subsidiaries, to the extent existing on the date hereof. The above arrangements (whether or not existing as of the date hereof) are referred to collectively herein as the "RBL Benefit Arrangements". Each RBL Benefit Arrangement has been maintained in substantial compliance with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations that are applicable to such RBL Benefit Arrangement.

(f) Except as disclosed in the RBL Disclosure Schedule, neither RBL nor any of its Subsidiaries has any current or projected liability in respect of post-employment or post-retirement health and medical benefits for retired employees of RBL and its Subsidiaries, except as required to avoid excise Tax under Section 4980B of the Code; and no condition exists that would prevent RBL or any of its Subsidiaries from amending or terminating any RBL Employee Plan or RBL Benefit Arrangement providing health or medical benefits in respect of any active employee of RBL or any of its Subsidiaries other than limitations imposed under the terms of a collective bargaining agreement.

(g) Except as disclosed in the RBL Disclosure Schedule, there has been no amendment to, written interpretation or announcement (whether or not written) by RBL or any of its ERISA Affiliates relating to, or change in employee participation or coverage under, any RBL Employee Plan or RBL Benefit Arrangement which would increase materially the expense of maintaining such RBL Employee Plan or RBL Benefit Arrangement above the level of the expense incurred in respect thereof for the fiscal year ended on the RBL Balance Sheet Date (other than those that would not result in the representation and warranty set forth in Section 4.9(i) becoming untrue as of the Effective Time).

(h) Neither RBL nor any of its Subsidiaries is a party to or subject to any collective bargaining or other labor union contracts applicable to Persons employed by RBL or its Subsidiaries and no collective bargaining agreement is being negotiated by RBL or any of its Subsidiaries. As of the date of this Agreement, to the knowledge of RBL, neither RBL nor its Subsidiaries, nor their respective representatives or employees, has committed any unfair labor practices in connection with the operation of the respective businesses of RBL or its Subsidiaries, and there is no pending or threatened in writing charge or complaint against RBL or its Subsidiaries by the NLRB or any comparable state agency, except where such unfair labor practice, charge or complaint would not have a RBL Material Adverse Effect.

SECTION 4.14. Compliance with Laws; Permits. (a) Except for violations which do not have and would not reasonably be expected to have, individually or in the aggregate, a RBL Material Adverse Effect, neither RBL nor any of its Subsidiaries is in violation of, or has violated, any applicable provisions of any laws, statutes, ordinances or regulations or any term of any judgment, decree, injunction or order outstanding against it.

(b) As of the date of this Agreement, each of RBL and its Subsidiaries is in possession of all franchises, grants, authorizations, licenses, permits, easements, variances, exemptions, consents, certificates, identification numbers, approvals and orders (collectively, the "RBL Permits") necessary to own, lease and operate its properties and to carry on its business as it is now being conducted, and there is no action, proceeding or investigation

pending or, to the knowledge of RBL, threatened regarding suspension or cancellation of any of the RBL Permits, except where the failure to possess, or the suspension or cancellation of, such RBL Permits would not have reasonably be expected to have, individually or in the aggregate, a RBL Material Adverse Effect.

SECTION 4.15. Finders' Fees. Except for CS First Boston Corporation, whose fees will be paid by as referred to in Section 11.4 hereof and as contemplated herein, there is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf, of RBL or any of its Subsidiaries who might be entitled to any fee or commission from NHL or any of its Affiliates upon consummation of the transactions contemplated by this Agreement or any of the related agreements. The amount of the fees of CS First Boston Corporation have previously been disclosed to NHL.

SECTION 4.16. Environmental Matters. Except as set forth in the RBL Financial Statements or in writing to NHL:

(a) (i) no notice, notification, notice of violation, demand, request for information, investigation (whether civil or criminal), citation, summons, complaint, order or other similar document has been received by, or, to the knowledge of RBL or any of its Subsidiaries, is pending or threatened by any Person against, RBL or any of its Subsidiaries, nor has any material penalty been assessed against RBL or any of its Subsidiaries in either case with respect to any (A) alleged violation of any Environmental Law or liability thereunder, (B) alleged failure to have any permit, certificate, license, approval, registration or authorization required under any Environmental Law, (C) generation, treatment, storage, recycling, transportation or disposal of any Hazardous Substance or (D) Release of any Hazardous Substance;

(ii) no Hazardous Substance has been Released or is present at any property now owned, leased or operated by RBL or any of its Subsidiaries nor, to the knowledge of RBL, has any Hazardous Substance been Released at any property formerly owned, leased or operated by RBL, which Release or presence, individually or in the aggregate, could reasonably be expected to result in a RBL Material Adverse Effect;

(iii) there are no RBL Environmental Liabilities that have had or may reasonably be expected to have, individually or in the aggregate, a RBL Material Adverse Effect; and

(iv) there are no circumstances relating to the disposal of Hazardous Substances from any properties at the time they were owned, leased or operated by RBL that could give rise to liabilities under Environmental Laws which could reasonably be expected to result, individually or in the aggregate, in a RBL Material Adverse Effect.

(b)There has been no environmental investigation, study, audit, test, review or other analysis conducted since 1989 of which RBL has knowledge in relation to the current or prior business of RBL or any property or facility now or previously owned, leased or operated by RBL or any of its Subsidiaries, the contents of which could reasonably be expected to result in a RBL Material Adverse Effect.

(c)Neither RBL nor any of its Subsidiaries owns or leases any real property or industrial facility, or conducts any operations, in New Jersey or Connecticut.

(d)For purposes of this Section 4.16, the following terms shall have the meanings set forth below:

(i) "RBL" and "Subsidiary" shall include any entity which is, in whole or in part, a predecessor of RBL or any of its Subsidiaries;

(ii) "RBL Environmental Liabilities" means any and all liabilities of or relating to RBL and any of its Subsidiaries, whether vested or unvested, contingent or fixed, actual or potential, known or unknown, which (A) arise under or relate to matters covered by Environmental Laws and (B) arose from actions occurring or conditions existing on or prior to the Effective Time.

SECTION 4.17. HLR Cash Consideration. HLR and its Affiliates have sufficient funds, investments and credit facilities available to pay the HLR Cash Consideration.

SECTION 4.18. Takeover Statutes. To the best of RBL's knowledge, no state takeover statute or similar statute or regulation applicable to RBL or HLR applies or purports to apply to the HLR Stockholder Agreement, the Merger, the Warrants, the Sharing and Call Option Agreement or this Agreement or any

of the transactions contemplated thereby and hereby.

SECTION 4.19. Ownership of NHL Shares. As of the date hereof, HLR, RBL and their Subsidiaries beneficially own, collectively, no more than 100 NHL Shares.

ARTICLE 5
COVENANTS OF NHL

NHL agrees that:

SECTION 5.1. Conduct of NHL. From the date hereof until the Effective Time, NHL and its Subsidiaries shall in all material respects conduct their business in the ordinary course and shall use all reasonable efforts to preserve intact their business organizations and relationships with third parties and to keep available the services of their present officers and employees. Without limiting the generality of the foregoing, from the date hereof until the Effective Time:

(a) NHL will not adopt or propose any change in its certificate of incorporation or bylaws, except as referred to in Section 2.1;

(b) Except as contemplated by this Agreement or as set forth on the NHL Disclosure Schedule, NHL will not, and will not permit any of its Subsidiaries to (i) enter into any contract, agreement, plan or arrangement covering any director, officer or employee of NHL or any of its Subsidiaries that provides for the making of any payments, the acceleration of vesting of any benefit or right or any other entitlement contingent upon (A) the Merger, the exercise by HLR of any of its rights under the HLR Stockholder Agreement or any acquisition by HLR of securities of NHL (whether by merger, tender offer, private or market purchases or otherwise) not prohibited by the HLR Stockholder Agreement or (B) the termination of employment after the occurrence of any such contingency if such payment, acceleration or entitlement would not have been provided but for such contingency or (ii) amend any existing contract, agreement, plan or arrangement to so provide;

(c) Except for the Merger or as set forth on the NHL Disclosure Schedule, NHL will not, and will not permit any Subsidiary of NHL to (i) adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization or (ii) make any acquisition of any business or other material assets of any Person, whether by means of merger, consolidation or otherwise;

(d) Except as set forth on the NHL Disclosure Schedule, NHL will not, and will not permit any Subsidiary of NHL to, sell, lease, license or otherwise dispose of any material assets or property except (i) pursuant to existing contracts or commitments or (ii) in the ordinary course of business consistent with past practice;

(e) Except for (i) borrowings under existing credit facilities, replacements therefor and refinancings thereof and (ii) borrowings in the ordinary course of business consistent with past practice, NHL will not, and will not permit any Subsidiary of NHL to, incur any indebtedness for borrowed money or guarantee any such indebtedness except for the financing contemplated by Section 7.2 hereof;

(f) Except pursuant to outstanding Employee Stock Options and as contemplated by this Agreement, NHL will not issue any NHL Securities; and

(g) NHL will not, and will not permit any of its Subsidiaries to, take any action that would result in (i) any of the representations and warranties of such party set forth in this Agreement that are qualified as to materiality becoming untrue, (ii) any of such representations and warranties that are not so qualified becoming untrue in any material respect or (iii) any of the conditions to the Merger set forth in Sections 9.1 or 9.2 not being satisfied.

SECTION 5.2. Stockholder Meeting; Proxy Material; Registration Statement; Stock Exchange Listing. (a) NHL shall cause a meeting of its stockholders (the "NHL Stockholder Meeting") to be duly called and held as soon as reasonably practicable for the purpose of voting on the approval and adoption of this Agreement (and the approval of any amendments to NHL's certificate of incorporation as referred to in Section 2.1 and the treatment of the Employee Stock Options pursuant to Section 1.5). The Board of Directors of NHL shall, subject to their fiduciary duties as determined in good faith by the Board of Directors based on the advice of outside legal counsel, recommend approval and adoption of this Agreement (and approve any such amendments and such treatment of holders of Employee Stock Options. In connection with such meeting, NHL (i) will promptly prepare and file with the SEC, will use all reasonable efforts to have cleared by

the SEC the NHL Proxy Statement, (ii) will, subject to the fiduciary duties of its Board of Directors, use all reasonable efforts to obtain the approval and adoption by NHL's stockholders of this Agreement (and approve any such amendments and such treatment) and (iii) will otherwise comply with all legal requirements applicable to such meeting.

(b) As soon as practicable after resolving any comments of the SEC staff with respect to the NHL Proxy Statement, NHL shall promptly prepare and file with the SEC the Registration Statement, in which the NHL Proxy Statement will be included as a prospectus. NHL shall use its best efforts to have the Registration Statement declared effective under the 1933 Act as promptly as practicable after such filing. NHL will use its best efforts to cause the NHL Proxy Statement to be mailed to its stockholders as promptly as practicable after the Registration Statement is declared effective under the 1933 Act. NHL shall also take any action (other than qualifying to do business in any jurisdiction in which it is not now so qualified) required to be taken under any applicable state securities laws in connection with the issuance of NHL Shares in the Merger. HLR and RBL shall furnish all information concerning the HLR and RBL as may be reasonably requested in connection with any action contemplated by this Section 5.2.

(c) NHL shall use all reasonable efforts to cause the Warrants to be issued as contemplated hereby to be listed on the NYSE, subject to official notice of issuance and evidence of satisfactory distribution.

(d) Prior to the date on which the Warrants shall become exercisable, in accordance with their terms, NHL shall, if required by the Warrant Agreement and applicable law, prepare and file with the SEC a registration statement relating to the NHL Shares issuable upon exercise of the Warrants. NHL shall use its best efforts to cause the registration statement to be declared effective prior to the date the Warrants become exercisable.

SECTION 5.3. Access to Information; Confidentiality. (a) From the date hereof until the Effective Time, NHL will give HLR, RBL, their counsel, financial advisors, auditors and other authorized representatives reasonable access during normal business hours to the offices, properties, books and records of NHL and its Subsidiaries, will furnish to HLR, RBL and their counsel, financial advisors, auditors and other authorized representatives such financial and operating data and other information as such Persons may reasonably request and will instruct NHL's employees, counsel and financial advisors to cooperate with HLR and RBL in their investigation of NHL and its Subsidiaries, provided that no investigation pursuant to this Section 5.3 shall affect any representation or warranty given by NHL to HLR and RBL hereunder and provided further that the foregoing shall not require NHL to permit any inspection, or to disclose any information, which in the reasonable judgment of NHL would result in the disclosure of any trade secrets of third parties or violate any obligation of NHL with respect to confidentiality if NHL shall have used reasonable efforts to obtain the consent of such third party to such inspection or disclosure. All requests for information made pursuant to this Section 5.3 shall be directed to an executive officer of NHL or such Person as may be designated by the Chief Executive Officer of NHL

(b) Prior to the Effective Time and after any termination of this Agreement, NHL will hold, and will use its best efforts to cause its officers, directors, employees, counsel, financial advisors, auditors and other advisors and agents to hold, in confidence, unless compelled to disclose by judicial or administrative process or by other requirements of law, all confidential documents and information concerning HLR, RBL and RBL's Subsidiaries furnished to NHL in connection with the transactions contemplated by this Agreement, except to the extent that such information can be shown to have been (i) previously known by NHL on a nonconfidential basis or on a basis which permits use on a less restrictive basis than this Section 5.3(b), (ii) in the public domain through no fault of NHL or (iii) later lawfully acquired by NHL from sources other than RBL or HLR or their Affiliates, advisors or representatives, provided that NHL may disclose such information to its officers, directors, employees, accountants, counsel, consultants, advisors and agents in connection with the transactions contemplated by this Agreement and to its lenders in connection with obtaining the financing for the transactions contemplated by this Agreement so long as such Persons are informed by NHL of the confidential nature of such information and are directed by NHL to treat such information confidentially. NHL's obligation to hold any such information in confidence shall be satisfied if it exercises the same care with respect to such information as it would take to preserve the confidentiality of its own similar information. If this Agreement is terminated, NHL will, and will use its best efforts to cause its officers, directors, employees, accountants, counsel, consultants, advisors and agents to, destroy or deliver to RBL or HLR, upon request, all documents and other materials, and all copies thereof, obtained by NHL or on its behalf from RBL or HLR in connection with this Agreement that are subject to such confidence.

SECTION 5.4. Other Offers. (a) From the date hereof until the termination of this Agreement in accordance with Section 10.1, NHL shall not, nor shall it permit any of its Subsidiaries to, nor shall it authorize or permit any officer, director or employee of, or any investment banker, attorney or other advisor or representative of NHL or any of its Subsidiaries to, directly or indirectly, (i) solicit, initiate or encourage the submission of any "Acquisition Proposal" (as defined below) or (ii) participate in any discussions or negotiations regarding, or furnish to any Person any information with respect to, or take any other action to facilitate any inquiries or the making of any proposal that constitutes, or may reasonably be expected to lead to, any Acquisition Proposal, provided, however, that to the extent required by the fiduciary obligations of the Board of Directors of NHL, as determined in good faith by the Board of Directors based on the advice of outside counsel, NHL may, (A) in response to an unsolicited request therefor, furnish information with respect to NHL to any Person pursuant to a customary confidentiality agreement (as determined by NHL's outside counsel) and discuss (1) such information (but not the terms of any possible Acquisition Proposal) and (2) the terms of this Section 5.4 with such Person and (B) upon receipt by NHL of an Acquisition Proposal, following delivery to HLR of the notice required pursuant to Section 5.4(c), participate in negotiations regarding such Acquisition Proposal. Without limiting the foregoing, it is understood that any violation of the restrictions set forth in the preceding sentence by any officer, director or employee of NHL or any of its Subsidiaries or any investment banker, attorney or other advisor or representative of NHL or any of its Subsidiaries, whether or not such Person is purporting to act on behalf of NHL or any of its Subsidiaries or otherwise, shall be deemed to be a breach of this Section 5.4 by NHL. For purposes of this Agreement, "Acquisition Proposal" means any proposal for a merger or other business combination involving NHL or any of its Subsidiaries or any proposal or offer to acquire in any manner, directly or indirectly, an equity interest in securities representing not less than 20% of the outstanding voting securities of, or assets representing not less than 10% of the annual revenues of NHL or any of its Subsidiaries, other than the transactions contemplated by this Agreement or the Sharing and Call Option Agreement.

(b) Neither the Board of Directors of NHL nor any committee thereof shall (i) withdraw or modify, or propose to withdraw or modify, in a manner adverse to RBL or HLR, the approval or recommendation by such Board of Directors or any such committee of this Agreement or the Merger (or the other transactions contemplated hereby), (ii) approve or recommend, or propose to approve or recommend, any Acquisition Proposal or (iii) enter into any agreement with respect to any Acquisition Proposal. Notwithstanding the foregoing, in the event the Board of Directors of NHL receives an Acquisition Proposal that, in the exercise of its fiduciary obligations (as determined in good faith by the Board of Directors after reviewing the advice of outside counsel), it determines to be a Superior Proposal (as defined below), the Board of Directors may (subject to the following sentences) withdraw or modify its approval or recommendation of this Agreement or the Merger, approve or recommend any such Superior Proposal, enter into an agreement with respect to such Superior Proposal or terminate this Agreement, in each case at any time after the second business day following HLR's receipt of written notice (a "Notice of Superior Proposal") advising HLR that the Board of Directors has received a Superior Proposal, specifying the material terms and conditions of such Superior Proposal and identifying the Person making such Superior Proposal. For purposes of this Agreement, a "Superior Proposal" means any bona fide Acquisition Proposal on terms which the Board of Directors of NHL determines in its good faith reasonable judgment (after reviewing the advice of a financial advisor of nationally recognized reputation) to be more favorable to NHL's stockholders than the Merger and the transactions contemplated hereby.

(c) In addition to the obligations of NHL set forth in Section 5.4(b) above, NHL shall promptly advise HLR orally and in writing of any request for information or of any Acquisition Proposal, or any inquiry with respect to or which could lead to any Acquisition Proposal, the material terms and conditions of such request, Acquisition Proposal or inquiry, and the identity of the Person making any such Acquisition Proposal or inquiry. NHL will keep HLR fully informed of the status and details of any such request, Acquisition Proposal or inquiry.

(d) NHL shall immediately cease and cause to be terminated all existing discussions and negotiations, if any, with any parties (other than RBL or HLR) conducted heretofore with respect to any Acquisition Proposal.

SECTION 5.5. Notices of Certain Events. NHL shall promptly notify HLR of:

(a) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the

transactions contemplated by this Agreement;

(b) any notice or other communication from any governmental or regulatory agency or authority in connection with the transactions contemplated by this Agreement; and

(c) any actions, suits, claims, investigations or proceedings commenced or, to the best of its knowledge threatened against, relating to or involving or otherwise affecting NHL or any of its Subsidiaries which, if pending on the date of this Agreement, would have been required to have been disclosed pursuant to Section 3.12 or which relate to the consummation of the transactions contemplated by this Agreement, the HLR Stockholder Agreement, the Warrant Agreement or the Sharing and Call Option Agreement.

SECTION 5.6. Tax Matters. From the date hereof until the Effective Time, (i) NHL and its Subsidiaries will file all material Tax returns, statements, reports and forms (collectively, the "NHL Post-Signing Returns") required to be filed with any taxing authority in accordance with all applicable laws, (ii) NHL and its Subsidiaries will timely pay all Taxes shown as due and payable on the NHL Post-Signing Returns that are so filed and as of the time of filing, the NHL Post-Signing Returns will correctly reflect the facts regarding the income, business, assets, operations, activities and the status of NHL and its Subsidiaries in all material respects, (iii) NHL and its Subsidiaries will make provision for all Taxes payable by NHL and its Subsidiaries for which no NHL Post-Signing Return is due prior to the Effective Time, and (iv) NHL and its Subsidiaries will promptly notify HLR of any action, suit, proceeding, investigation, audit or claim pending against or with respect to NHL or any of its Subsidiaries in respect of any Tax where there is a reasonable possibility of a determination or decision which would reasonably be expected to have a significant adverse effect on NHL's Tax liabilities or other Tax attributes.

SECTION 5.7. Board Composition. Prior to the Effective Time, the Board of Directors of NHL shall take all action as is necessary to make effective as of the Effective Time the resignations from the NHL Board of Directors of any Persons then serving on the Board of Directors who are not identified on the certificate delivered by HLR to NHL pursuant to Section 2.3 and to cause each of the persons designated to be directors in such certificate to be duly appointed to the Surviving Corporation's Board of Directors, in each case effective at the Effective Time.

ARTICLE 6
COVENANTS OF HLR AND RBL

HLR and RBL agree that:

SECTION 6.1. Conduct of RBL. From the date hereof until the Effective Time, RBL and its Subsidiaries shall in all material respects conduct their business in the ordinary course and shall use all reasonable efforts to preserve intact their business organizations and relationships with third parties and to keep available the services of their present officers and employees. Without limiting the generality of the foregoing, from the date hereof until the Effective Time:

(a) RBL will not adopt or propose any change in its certificate of incorporation or bylaws;

(b) Except as contemplated by this Agreement or as set forth on the RBL Disclosure Schedule, RBL will not, and will not permit any of its Subsidiaries to, (i) enter into any contract, agreement, plan or arrangement covering any director, officer or employee of RBL or any of its Subsidiaries that provides for the making of any payments, the acceleration of vesting of any benefit or right or any other entitlement contingent upon (A) the Merger or any acquisition by HLR of securities of NHL (whether by merger, tender offer, private or market purchases or otherwise) not prohibited by the HLR Stockholder Agreement or (B) the termination of employment after the occurrence of any such contingency if such payment, acceleration or entitlement would not have been provided but for such contingency or (ii) amend any existing contract, agreement, plan or arrangement to so provide;

(c) Except for the Merger or as set forth on the RBL Disclosure Schedule, RBL will not, and will not permit any Subsidiary of RBL to (i) adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization other than into or with RBL or any Subsidiary of RBL or (ii) make any acquisition of any business or other material assets of any Person, whether by means of merger, consolidation or otherwise;

(d) Except as set forth on the RBL Disclosure Schedule, RBL will not, and will not permit any Subsidiary of RBL to, sell, lease, license or

otherwise dispose of any material assets or property except (i) pursuant to existing contracts or commitments, (ii) in the ordinary course of business consistent with past practice, (iii) as NHL agrees in writing or (iv) that RBL or a Subsidiary thereof may dispose of or transfer that certain business known as RIAS the assets and liabilities of which have been disclosed in writing to NHL prior to the date hereof, and the proceeds of such disposition may be paid in a dividend or otherwise to HLR or any other Person;

(e) Except as set forth on the RBL Disclosure Schedule or as contemplated by Section 6.7 hereof, RBL will not, and will not permit any Subsidiary of RBL to, declare, set aside, or apply any dividend or make any other distribution with respect to any shares of RBL capital stock;

(f) Except for (i) borrowings under existing credit facilities, replacements therefor and refinancings thereof and (ii) borrowings in the ordinary course of business consistent with past practice, RBL will not, and will not permit any Subsidiary of RBL to, incur any indebtedness for borrowed money or guarantee any such indebtedness;

(g) RBL will not issue any RBL Securities other than to HLR;

(h) RBL will not, and will cause its Affiliates not to, directly or indirectly, acquire any NHL Shares prior to any termination fee becoming payable to HLR pursuant to Section 11.4(b) hereof; and

(i) RBL will not, and will not permit any of its Subsidiaries to, take any action that would result in (i) any of the representations and warranties of such party set forth in this Agreement that are qualified as to materiality becoming untrue, (ii) any of such representations and warranties that are not so qualified becoming untrue in any material respect or (iii) any of the conditions to the Merger set forth in Sections 9.1 or 9.3 not being satisfied.

SECTION 6.2. Access to Information; Confidentiality. (a) From the date hereof until the Effective Time, HLR and RBL will give NHL, its counsel, financial advisors, auditors and other authorized representatives reasonable access during normal business hours to the offices, properties, books and records of RBL and its Subsidiaries, will furnish to NHL and its counsel, financial advisors, auditors and other authorized representatives such financial and operating data and other information as such Persons may reasonably request and will instruct RBL's employees, counsel and financial advisors to cooperate with NHL in its investigation of RBL and its Subsidiaries, provided that no investigation pursuant to this Section 6.2 shall affect any representation or warranty given by HLR or RBL to NHL hereunder and provided further that the foregoing shall not require RBL or HLR to permit any inspection, or to disclose any information, which in the reasonable judgment of RBL or HLR would result in the disclosure of any trade secrets of third parties or violate any obligation of RBL or HLR with respect to confidentiality if RBL or HLR, as the case may be, shall have used reasonable efforts to obtain the consent of such third party to such inspection or disclosure. All requests for information made pursuant to this Section 6.2 shall be directed to an executive officer of RBL or such Person as may be designated by the Chief Executive Officer of RBL.

(b) Prior to the Effective Time and after any termination of this Agreement, each of HLR and RBL will hold, and will use its best efforts to cause its officers, directors, employees, counsel, financial advisors, auditors and other advisors and agents to hold, in confidence, unless compelled to disclose by judicial or administrative process or by other requirements of law, all confidential documents and information concerning NHL and its Subsidiaries furnished to each of HLR and RBL in connection with the transactions contemplated by this Agreement, except to the extent that such information can be shown to have been (i) previously known by HLR or RBL on a nonconfidential basis or on a basis which permits use on terms less restrictive than this Section 6.2(b), (ii) in the public domain through no fault of each of HLR or RBL or (iii) later lawfully acquired by HLR or RBL from sources other than NHL or its Affiliates, advisors or representatives, provided that each of HLR and RBL may disclose such information to its officers, directors, employees, accountants, counsel, consultants, advisors and agents in connection with the transactions contemplated by this Agreement and to its lenders in connection with obtaining the financing for the transactions contemplated by this Agreement so long as such Persons are informed by each of HLR and RBL of the confidential nature of such information and are directed by each of HLR and RBL to treat such information confidentially. Each of HLR's and RBL's obligation to hold any such information in confidence shall be satisfied if it exercises the same care with respect to such information as it would take to preserve the confidentiality of its own similar information. If this Agreement is terminated, each of HLR and RBL will, and will use its best efforts to cause its officers, directors, employees, accountants, counsel, consultants, advisors and agents to, destroy or deliver to NHL, upon request, all documents and other materials, and all copies thereof,

obtained by either of HLR and RBL or on its behalf from NHL in connection with this Agreement that are subject to such confidence.

SECTION 6.3. Voting of Shares. Each of HLR and RBL agrees to vote any NHL Shares beneficially owned by it in favor of adoption of this Agreement and the Merger (including any amendments to NHL's certificate of incorporation as referred to in Section 2.1 and the treatment of any Employee Stock Options pursuant to Section 1.5 at the NHL Stockholder Meeting.

SECTION 6.4. Notices of Certain Events. RBL shall promptly notify NHL of:

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

(b) any notice or other communication from any governmental or regulatory agency or authority in connection with the transactions contemplated by this Agreement; and

(c) any actions, suits, claims, investigations or proceedings commenced or, to the best of its knowledge threatened against, relating to or involving or otherwise affecting RBL or any of its Subsidiaries which, if pending on the date of this Agreement, would have been required to have been disclosed pursuant to Section 4.11 or which relate to the consummation of the transactions contemplated by this Agreement or the Sharing and Call Option Agreement.

SECTION 6.5. Tax Matters. From the date hereof until the Effective Time, (i) HLR/RBL and RBL's Subsidiaries will file all material Tax returns, statements, reports and forms (collectively, the "HLR/RBL Post-Signing Returns") required to be filed with any taxing authority in accordance with all applicable laws, (ii) HLR/RBL and RBL's Subsidiaries will timely pay all Taxes shown as due and payable on the respective HLR/RBL Post-Signing Returns that are so filed and as of the time of filing, the HLR/RBL Post-Signing Returns will correctly reflect the facts regarding the income, business, assets, operations, activities and the status of HLR/RBL and RBL's Subsidiaries in all material respects, (iii) HLR/RBL and RBL's Subsidiaries will make provision for all respective Taxes payable by HLR/RBL and RBL's Subsidiaries for which no HLR/RBL Post-Signing Return is due prior to the Effective Time and (iv) HLR/RBL and RBL's Subsidiaries will promptly notify NHL of any action, suit, proceeding, investigation, audit or claim pending against or with respect to HLR/RBL or any of RBL's Subsidiaries in respect of any Tax where there is a reasonable possibility of a determination or decision which would reasonably be expected to have a significant adverse effect on HLR/RBL's Tax liabilities or other Tax attributes.

SECTION 6.6. NHL Employment Agreements. HLR will not and will use its best efforts to cause its Affiliates not to take any action to prevent NHL from honoring the financial terms of the existing employment agreements between NHL and its employees to the extent that copies of such agreements have been provided to HLR prior to the date hereof (or if not so provided, if such agreements were entered into after the date hereof and would not result in any of the representations and warranties of NHL hereunder becoming untrue at the Effective Time and which are otherwise entered into in compliance with this Agreement).

SECTION 6.7. Certain Actions Regarding RBL. (a) Prior to the Effective Time, HLR and RBL will prepare a pro forma balance sheet for RBL and its Subsidiaries (excluding RIAS) as of December 31, 1994 (the "Pro Forma Balance Sheet") to eliminate any outstanding intercompany account balances (other than current trade payables but including any intercompany balances with respect to Taxes) as of that date and to remove and eliminate as liabilities of RBL and any of its Subsidiaries indebtedness for borrowed money ("Borrowed Funds"), such that the aggregate liabilities of RBL and its Subsidiaries (excluding RIAS) for Borrowed Funds as of December 31, 1994, reduced by cash and cash equivalents as of that date, shall not exceed $44,000,000 (the "Net Debt Amount"). HLR and RBL will cause the assets and liabilities of RBL and its Subsidiaries at the Effective Time to be consistent with the amounts set forth in the Pro Forma Balance Sheet (other than intercompany account balances relating to federal income Taxes of RBL and its Subsidiaries for the Pre-Merger Tax Period (as defined in Section 8.1) that begins on January 1, 1995 and ends on the date on which the Effective Time occurs, which shall be settled in the manner provided in Section 8.4(a)), adjusted to give effect to the operations (on an arm's length basis) of RBL and its Subsidiaries since January 1, 1995.

(b) From January 1, 1995 until the Effective Time, no interest will be charged or paid on any intercompany account or on any Borrowed Funds, except to the extent of the interest that would accrue during the period beginning on January 1, 1995 and ending at the Effective Time on the Net Debt

Amount at the interest rate provided under the agreement with the Swiss Bank Corporation, or if any interest is paid during such period to a third party, HLR will repay to RBL the excess over the amount which would be payable at such Swiss Bank Corporation interest rate.

ARTICLE 7
COVENANTS OF HLR, RBL AND NHL

The parties hereto agree that:

SECTION 7.1. Reasonable Efforts. Upon the terms and subject to the conditions set forth in this Agreement, each of the parties agrees to use reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other parties in doing, all things necessary, proper or advisable to consummate and make effective, in the most expeditious manner practicable, the Merger and the other transactions contemplated by this Agreement, including (i) the obtaining of all necessary actions or nonactions, waivers, consents and approvals from governmental entities and the making of all necessary registrations and filings (including filings with governmental entities, if any) and the taking of all reasonable steps as may be necessary to obtain an approval or waiver from, or to avoid an action or proceeding by, any governmental entity provided, however, that in so doing none of HLR, RBL or their respective Affiliates shall be obligated to accept or be subject to an HLR Adverse Condition (as defined in Section 9.2(d) and NHL shall not be obligated to accept or be subject to an NHL Adverse Condition as defined in Section 9.3(d), (ii) the obtaining of all necessary consents, approvals or waivers from third parties and (iii) the execution and delivery of any additional instruments necessary to consummate the transactions contemplated by, and to fully carry out the purposes of, this Agreement; provided that the foregoing shall not (a) require HLR to furnish, other than for RBL and RBL's Subsidiaries, financial statements prepared in accordance with United States GAAP or any reconciliation of financial statements with United States GAAP or (b) prohibit the Board of Directors of NHL from taking any action permitted by Section 5.4.

SECTION 7.2. Cash Consideration. Each of HLR and RBL will use their good faith best efforts from and after the date hereof to assist NHL in NHL's effecting of the refinancing of NHL's existing indebtedness and obtaining new financing sufficient for NHL to pay the NHL Cash Consideration as contemplated hereby. NHL will use its good faith best efforts from and after the date hereof to effect the refinancing of NHL's existing indebtedness and to obtain new financing sufficient for NHL to pay the NHL Cash Consideration as contemplated hereby (and NHL will deposit the NHL Cash Consideration with the Exchange Agent as contemplated by Section 1.3 hereof), it being understood and agreed by the parties hereto that none of the parties hereto shall have any liability to any other party hereto or any other Person if such financing and refinancing, including sufficient financing for the NHL Cash Consideration, is not obtained by NHL and the parties have complied with the provisions of this Section 7.2. HLR will deposit the HLR Cash Consideration with the Exchange Agent as contemplated by Section 1.3.

Each of HLR and NHL acknowledge receipt of the Credit Suisse commitment letter to NHL dated December 13, 1994 relating to possible financing of the NHL Cash Consideration (the "CS Commitment Letter").

SECTION 7.3. Public Announcements. NHL, HLR and RBL will use all reasonable efforts to consult with each other before issuing any press release or making any public statement with respect to this Agreement and the transactions contemplated hereby or thereby and, except as may be required by applicable law or any listing agreement with any national securities exchange, will use all reasonable efforts not to issue any such press release or make any such public statement prior to such consultation and agreement among the parties with respect to the substance thereof.

SECTION 7.4. Further Assurances. At and after the Effective Time, the officers and directors of the Surviving Corporation will be authorized to execute and deliver, in the name and on behalf of NHL or RBL, any deeds, bills of sale, assignments or assurances and to take and do, in the name and on behalf of NHL or RBL, any other actions and things to vest, perfect or confirm of record or otherwise in the Surviving Corporation any and all right, title and interest in, to and under any of the rights, properties or assets of NHL acquired or to be acquired by the Surviving Corporation as a result of, or in connection with, the Merger.

SECTION 7.5. HLR Stockholder Agreement. HLR and NHL each agree to execute and deliver the HLR Stockholder Agreement immediately prior to the Effective Time.

SECTION 7.6. Indemnification and Insurance. (a) The certificate of incorporation and the bylaws of the Surviving Corporation shall contain the provisions with respect to indemnification set forth in NHL's certificate of incorporation and bylaws on the date of this Agreement, which provisions shall not be amended, repealed or otherwise modified for a period of six years from the Effective Time in any manner that would adversely affect the rights thereunder of individuals who on or prior to the Effective Time were directors, officers, employees or agents of NHL or RBL, unless such modification is required by law, and the Surviving Corporation shall indemnify and hold harmless the present and former officers and directors of NHL and RBL in respect of acts or omissions occurring prior to the Effective Time to the maximum extent provided thereunder; provided that such indemnification shall (to the maximum extent permitted by law) be mandatory rather than permissive except in instances involving wilful misconduct or bad faith and that the Surviving Corporation shall advance expenses, including attorneys' fees promptly on demand and delivery of any required undertaking. For six years after the Effective Time, the Surviving Corporation will cause to be maintained the current policies of officers' and directors' liability insurance in respect of acts or omissions occurring prior to the Effective Time covering each such Person currently covered by RBL's officers' and directors' liability insurance policy or NHL's officers' and directors' liability insurance policy or who becomes covered thereby prior to the Effective Time, provided that the Surviving Corporation may substitute therefor policies of at least the same coverage containing terms and conditions which in all material respects are no less favorable than those of the policies in effect on the date hereof for so long as such substitution does not result in gaps or lapses in coverage; and provided further that in satisfying its obligation under this Section, the Surviving Corporation shall not be obligated to pay premiums in excess of 200% of the aggregate amount per annum which RBL and NHL paid in their last full fiscal years, but provided further, that the Surviving Corporation shall be obligated to provide such coverage as may be obtained for such amount. The Surviving Corporation shall pay all expenses (including attorneys' fees) that may be incurred by any indemnified party in enforcing the indemnity and other obligations provided for in this Section 7.6. The obligations of the Surviving Corporation under this Section 7.6 shall not be terminated or modified in such manner as to adversely affect directors and officers to whom this Section 7.6 applies without the consent of such director or officer. RBL's and NHL's directors and officers, present and former, and their heirs, executors and personal representatives to whom this Section 7.6 applies shall be third party beneficiaries of this Section.

ARTICLE 8
TAX MATTERS

SECTION 8.1. Definitions. The following terms, as used herein, have the following meanings:

"HLR Group" means, with respect to federal income Taxes, the Affiliated group of corporations (as defined in Section 1504(a) of the Code) of which HLR is a member and, with respect to state income or franchise Taxes, the consolidated, combined or unitary group of which HLR or any of its Affiliates is a member.

"NHL Group" means, with respect to federal income Taxes, the Affiliated group of corporations (as defined in Section 1504(a) of the Code) of which NHL (or, after the Effective Time, the Surviving Corporation) is a member and, with respect to state income or franchise Taxes, the consolidated, combined or unitary group of which NHL or any of its Affiliates is a member.

"Post-Merger Tax Period" means any Tax period that is not a Pre-Merger Tax Period.

"Pre-Merger Tax Period" means any Tax period ending on or before the date on which the Effective Time occurs, and the portions ending on such date of any Tax Period that includes (but does not end on) such day.

"Tax Sharing Agreement" means all existing written or unwritten Tax sharing agreements or arrangements, including agreements or arrangements based on past practices, binding RBL or any of its Subsidiaries.

SECTION 8.2. Tax Covenants. (a) The Surviving Corporation shall promptly pay or shall cause prompt payment to be made to HLR of all refunds of Taxes and interest thereon received by the Surviving Corporation or any Subsidiary of the Surviving Corporation attributable to Taxes paid by HLR, RBL or any Subsidiary of RBL (or any predecessor of HLR or any Subsidiary of HLR) with respect to any Pre-Merger Tax Period, provided that (i) in the case of refunds attributable to RBL or any of its Subsidiaries relating to federal income Taxes for Pre-Merger Tax Periods with respect to which no return has been filed (and is not yet due) at the Effective Time, the Surviving

Corporation shall be obligated to pay or cause prompt payment to be made to HLR of such refunds only to the extent that such refunds exceed the amount paid by RBL or the Surviving Corporation to HLR pursuant to Section 8.4(a) or (b), and (ii) the Surviving Corporation shall not be obligated to pay or cause to be paid to HLR any refunds with respect to Taxes (other than federal income Taxes) with respect to any Pre-Merger Tax Period with respect to which no return has been filed (and is not yet due) at the Effective Time.

(b) All transfer, real estate gains, documentary, sales, use, stamp, registration and other such Taxes and fees (including any penalties and interest) incurred in connection with this Agreement shall be borne and paid by the Surviving Corporation, and the Surviving Corporation will, at its own expense, file all necessary Tax returns and other documentation with respect to all such Taxes and fees, and, if required by applicable law, HLR will, and will cause its Subsidiaries to, join in the execution of any such Tax returns and other documentation.

(c) In the event that it is determined that the Surviving Corporation or any of its Subsidiaries is a member of the HLR Group on a consolidated, combined or unitary basis for purposes of any income or franchise Tax imposed by any state or local taxing jurisdiction, HLR and the Surviving Corporation agree to negotiate in good faith with each other and with the other members of such HLR Group in an attempt to enter into an agreement regarding the allocation of liability for and/or indemnification with respect to such Tax among the members of such HLR Group on such basis as the parties may agree is appropriate and equitable.

(d)(i) Neither NHL nor any of its Subsidiaries will take or permit any action prior to the Effective Time that is reasonably likely to prevent the Merger from qualifying as a reorganization within the meaning of Section 368(a)(1) of the Code.

(ii) The Surviving Corporation shall promptly indemnify HLR or any other member of the HLR Group for any liability for Taxes or loss arising as a result of the breach by NHL or any of its Subsidiaries of its obligations under Section 8.2(d)(i) the representation contained in Section 3.13(k) or the representations and covenants contained in the NHL Representations Letter (as defined in Section 8.2(h)) (other than covenant (3) therein)) that results in the Merger failing to qualify as a reorganization within the meaning of Section 368(a)(1) of the Code (or any comparable provision of state or local tax law).

(e)(i) During the period beginning on the date hereof and ending two years after the Effective Time, neither HLR nor any of its Subsidiaries will take or permit any action or, after the Effective Time, cause the Surviving Corporation or any of its Subsidiaries to take or permit any action, that is reasonably likely to prevent the Merger from qualifying as a reorganization within the meaning of Section 368(a)(1) of the Code.

(ii) HLR shall promptly indemnify the Surviving Corporation or any other member of the NHL Group for any liability for Taxes or loss arising as a result of the breach by HLR or any of its Subsidiaries of its obligations under Section 8.2(e)(i), the representation contained in Section 4.12(k) or the representations and covenants contained in the HLR Representations Letter (as defined in Section 8.2(i)) that results in the Merger failing to qualify as a reorganization within the meaning of Section 368(a)(1) of the Code (or any comparable provision of state or local tax law), or in the recognition of gain by RBL pursuant to Section 357(c) of the Code (or any other provision of state or local tax law).

(f) HLR shall promptly indemnify the Surviving Corporation or any other member of the NHL Group for (i) all Taxes of RBL and its Subsidiaries for any Pre-Merger Tax Period, but, with respect to Taxes (other than federal income taxes) for any Pre-Merger Tax Period with respect to which no return has been filed (and is not yet due) at the Effective Time, only to the extent in each case that such Tax exceeds the portion of the Tax shown as due on the return which includes such Pre-Merger Tax Period that is attributable to such Pre-Merger Tax Period; and (ii) all Taxes of any member of the HLR Group (other than RBL and its Subsidiaries, and for any Post-Merger Tax Period, the Surviving Corporation and its Subsidiaries) with respect to any Pre-Merger or Post-Merger Tax Period.

(g) None of the Surviving Corporation, any other member of the NHL Group, HLR, or any other member of the HLR Group shall settle or pay any claim for Taxes with respect to which the Surviving Corporation or HLR, as the case may be, is obligated to make any payment pursuant to Sections 8.2(d)(ii), 8.2(e)(ii) or 8.2(f) without the consent of the Surviving Corporation or HLR, as the case may be, which consent shall not be unreasonably withheld.

(h) NHL agrees to execute and deliver a letter, dated as of the date on which the Effective Time occurs, in the form set forth in Exhibit B hereto (the "NHL Representations Letter") to each of counsel for NHL and counsel for RBL and HLR prior to the Effective Time.

(i) HLR agrees to execute and deliver a letter, dated as the date on which the Effective Time occurs, in the form set forth in Exhibit C hereto (the "HLR Representations Letter") to each of counsel for NHL and counsel for RBL and HLR prior to the Effective Time.

SECTION 8.3. Termination of Existing Tax Sharing Agreements. Any and all existing Tax Sharing Agreements between RBL or any Subsidiary of RBL and any member of the HLR Group shall be terminated as of the date on which the Effective Time occurs. After such date neither RBL, any Subsidiary of RBL, HLR nor any Subsidiary of HLR shall have any further rights or liabilities thereunder. This Agreement shall be the sole Tax sharing agreement relating to RBL or any Subsidiary of RBL for all Pre-Merger and Post-Merger Tax Periods.

SECTION 8.4. Tax Sharing. (a) (i) Immediately before the Effective Time, RBL shall pay to HLR an amount equal to the federal income Taxes of RBL and its Subsidiaries with respect to the Pre-Merger Tax Period that ends on the date of the Effective Time. The amount of such payment in respect of such Taxes shall be based upon HLR's reasonable good faith estimates of the amounts of federal taxable income of RBL and its Subsidiaries (determined as if RBL and its Subsidiaries filed a consolidated federal income Tax return with RBL as the common parent) for such Pre-Merger Tax Period and an effective federal tax rate of 35%, and reduced by the amount of any payments on account of such Taxes previously paid by RBL or any of its Subsidiaries to HLR, any other member of the HLR Group (other than RBL and its Subsidiaries) or the IRS.

(ii) At such time as the HLR Group prepares its federal income tax return for such Pre-Merger Tax Period, it shall deliver to the Surviving Corporation a pro forma return (each a "Pro Forma Return") for RBL and its Subsidiaries which calculates the amount of federal income Taxes that RBL and its Subsidiaries would have paid with respect to such Pre-Merger Tax Period had RBL timely filed its own consolidated federal income Tax return including its Subsidiaries (with RBL as the common parent) for such Pre-Merger Tax Period. The Surviving Corporation shall have the right at its expense to review all work papers and procedures used to prepare such Pro Forma Return. Unless the Surviving Corporation timely objects as specified in this Section 8.4(a)(ii) such Pro Forma Return shall be binding on the parties without further adjustment. If the Surviving Corporation objects to any item on such Pro Forma Return, it shall notify HLR in writing that it so objects, specifying with particularity any such item and the factual or legal basis for its objection, within 10 days after delivery of such Pro Forma Return. If HLR and the Surviving Corporation are unable to reach agreement on such items within 20 days after HLR receives such notice, the disputed items shall be resolved by a nationally recognized accounting firm with no material relationship to the Surviving Corporation, HLR or any of their Affiliates, chosen within 5 days of the date upon which the need to retain such firm arises by and mutually acceptable to both HLR and the Surviving Corporation. The costs and expenses of retaining such firm shall be borne equally by HLR and the Surviving Corporation. Upon resolution by such firm of all such items and adjustment of the Pro Forma Return to reflect such resolution, the Pro Forma Return shall be binding on the parties without further adjustment. Once the Pro Forma Return has become binding, HLR shall promptly pay the Surviving Corporation, or the Surviving Corporation shall promptly pay HLR, as appropriate, an amount equal to (A) the difference between (x) the sum of the liabilities shown on the Pro Forma Return and (y) the sum of all payments previously made by RBL (including any payment pursuant to Section 8.4(a)(i)) or any Subsidiary with respect thereto to HLR, any other member of the HLR Group (other than RBL and its Subsidiaries) or the IRS, and (B) interest on such difference, which shall accrue at a rate equal to the three-month London Interbank Offered Rate plus 0.5% from the Effective Time until the date payment is made pursuant to this sentence.

(b) At such time as the HLR Group prepares its federal income tax return for its 1994 tax year, it shall deliver to the Surviving Corporation a pro forma return (each a "Pro Forma Return") for RBL and its Subsidiaries which calculates the amount of federal income Taxes that RBL and its Subsidiaries would have paid with respect to such tax year had RBL timely filed its own consolidated federal income Tax return including its Subsidiaries (with RBL as the common parent) for such tax year. The Surviving Corporation shall have the right at its expense to review all work papers and procedures used to prepare such Pro Forma Return. Unless the Surviving Corporation timely objects as specified in this Section 8.4(b) such Pro

Forma Return shall be binding on the parties without further adjustment. If the Surviving Corporation objects to any item on such Pro Forma Return, it shall notify HLR in writing that it so objects, specifying with particularity any such item and the factual or legal basis for its objection, within 10 days after delivery of such Pro Forma Return. If HLR and the Surviving Corporation are unable to reach agreement on such items within 20 days after HLR receives such notice, the disputed items shall be resolved by a nationally recognized accounting firm with no material relationship to the Surviving Corporation, HLR or any of their Affiliates, chosen within 5 days of the date upon which the need to retain such firm arises by and mutually acceptable to both HLR and the Surviving Corporation. The costs and expenses of retaining such firm shall be borne equally by HLR and the Surviving Corporation. Upon resolution by such firm of all such items and adjustment of the Pro Forma Return to reflect such resolution, the Pro Forma Return shall be binding on the parties without further adjustment. Once the Pro Forma Return has become binding, HLR shall promptly pay the Surviving Corporation, or the Surviving Corporation shall promptly pay HLR, as appropriate, an amount equal to (A) the difference between (x) the sum of the liabilities shown on the Pro Forma Return and (y) the sum of all payments previously made by RBL or any Subsidiary with respect thereto to HLR, any other member of the HLR Group (other than RBL and its Subsidiaries) or the IRS, provided that, where (x) exceeds (y), the Surviving Corporation shall be obligated to pay to HLR such difference only to the extent that it does not exceed the greatest amount of intercompany account balances in respect of such Taxes that, if in existence as of December 31, 1994, in addition to the other intercompany account balances existing as of that date and actually taken into account in formulating the Pro Forma Balance Sheet pursuant to Section 6.7(a), could have been eliminated by payment rather than capitalization in formulating such Pro Forma Balance Sheet, and (B) interest on the amount required to be paid pursuant to clause (A) (determined taking into account the proviso thereto), which shall accrue at a rate equal to the three-month London Interbank Offered Rate plus 0.5% from the Effective Time until the date payment is made pursuant to this sentence.

(c) The Surviving Corporation shall prepare or cause to be prepared, and shall deliver to HLR, each return with respect to state or local income, franchise, sales and use Taxes for any Pre-Merger Tax Period for which no return has been filed (and is not yet due) as of the Effective Time and which relates, in whole or in part, to Taxes with respect to which HLR may be required to indemnify the Surviving Corporation or any other member of the N Co. Group at least 90 days prior to the due date for such return. HLR shall have the right at its expense to review all work papers and procedures used to prepare such return. Unless HLR timely objects as specified in this Section 8.4(c), the Surviving Corporation or its Subsidiary, as appropriate, shall file such return without further adjustment with the appropriate taxation authority, and pay the Tax shown as due thereon. If HLR objects to any item on such return, it shall notify the Surviving Corporation in writing that it so objects, specifying with particularity any such item and the factual or legal basis for its objection, within 10 days after delivery of such return. If HLR and the Surviving Corporation are unable to reach agreement on such items within 20 days after the Surviving Corporation receives such notice, the disputed items shall be resolved by a nationally recognized accounting firm with no material relationship to the Surviving Corporation, HLR or any of their Affiliates, chosen within 5 days of the date upon which the need to retain such firm arises by and mutually acceptable to both HLR and the Surviving Corporation. The costs and expenses of retaining such firm shall be borne equally by HLR and the Surviving Corporation. Upon resolution by such firm of all such items and adjustment of the return to reflect such resolution, the Surviving Corporation or its Subsidiary, as appropriate, shall file such return without further adjustment with the appropriate taxation authority, and pay the Tax shown as due thereon.

SECTION 8.5. Cooperation on Tax Matters. The Surviving Corporation and HLR agree to furnish or cause to be furnished to each other, upon request, as promptly as practicable, such information (including access to books and records) and assistance relating to RBL and its Subsidiaries as is reasonably necessary for the filing of any return, for the preparation for any audit, and for the prosecution or defense of any claim, suit or proceeding relating to any proposed adjustment, provided that (i) HLR shall not be obligated to furnish or cause to be furnished any information with respect to Genentech, Inc. and any of its Subsidiaries, and (ii) in the case of information which also relates, in whole or in part, to members of the HLR Group other than RBL and its Subsidiaries, in order to ensure the confidentiality of the HLR Group's commercial or proprietary information to the maximum extent feasible HLR shall be obligated to furnish or to be caused to be furnished such information upon request only to an independent advisor with no material relationship to the Surviving Corporation, HLR or any of their Affiliates chosen by and mutually acceptable to both HLR and the Surviving Corporation. The Surviving Corporation and HLR agree to retain or cause to be retained all

books and records pertinent to RBL and its Subsidiaries until the end of the fifth year after the Effective Time, and to abide by or cause the abidance with all record retention agreements entered into with any taxation authority, in the case of the Surviving Corporation, but only to the extent such agreements have been disclosed in writing to NHL prior to the date hereof. The Surviving Corporation agrees to give HLR reasonable notice prior to transferring, discarding or destroying any such books and records relating to Tax matters and, if HLR so requests, the Surviving Corporation shall allow HLR to take possession of such books and records at HLR's cost and expense. The Surviving Corporation and HLR shall cooperate with each other in the conduct of any audit or other proceedings involving RBL or any of its Subsidiaries for any Tax purposes and each shall execute and deliver such powers of attorney and other documents as are necessary to carry out the intent of this subsection.

ARTICLE 9
CONDITIONS TO THE MERGER

SECTION 9.1. Conditions to the Obligations of Each Party. The obligations of NHL, HLR and RBL to consummate the Merger are subject to the satisfaction or waiver as of the Effective Time of the following conditions:

(a) this Agreement, the HLR Stockholder Agreement and any amendments to the Surviving Corporation's certificate of incorporation to be effected by the Merger and any amendments to the Employee Stock Options contemplated by Section 1.5 shall have been approved by the stockholders of NHL in accordance with Delaware Law;

(b) any applicable waiting period under the HSR Act relating to the Merger shall have expired or been terminated;

(c) no provision of any applicable law or regulation and no judgment, injunction, order or decree shall prohibit the consummation of the Merger;

(d) the Warrant Agreement shall have been executed and delivered by NHL and the warrant agent to be named therein and such agreement shall be in full force and effect and the Warrants shall have been approved for listing on the NYSE subject to official notice of issuance and satisfactory distribution;

(e) the Registration Statement shall have been declared effective and no stop order suspending the effectiveness of the Registration Statement shall be in effect and no proceedings for such purpose shall be pending before or threatened by the SEC;

(f) the HLR Stockholder Agreement shall have been executed and delivered by HLR and NHL and shall be in full force and effect;

(g) NHL shall have obtained sufficient financing to effect the refinancing of NHL's existing indebtedness, if required, and to pay for the NHL Cash Consideration on terms reasonably acceptable to HLR and NHL with financing obtained on the terms no less favorable than those referred to in the CS Commitment Letter being for this purpose deemed reasonably acceptable to HLR and NHL; and

(h) there shall not be in effect any banking moratorium or suspension of payments in respect of banks in the United States or Switzerland, or any general suspension in trading in, or limitation on prices for, securities on the NYSE.

SECTION 9.2. Conditions to the Obligations of HLR and RBL. The obligations of HLR and RBL to consummate the Merger are subject to the satisfaction of the following further conditions:

(a)(i) NHL shall have performed in all material respects all of its obligations hereunder required to be performed by it at or prior to the Effective Time, (ii) the representations and warranties of NHL set forth in Article 3 that are qualified as to materiality shall be true and correct and the representations and warranties of NHL set forth in Article 3 that are not so qualified shall be true and correct in all material respects, in each case as of the Effective Time as though made on and as of the Effective Time, except to the extent such representations and warranties speak only as of a particular earlier date, and (iii) HLR shall have received a certificate or certificates signed by such executive officers of NHL as reasonably requested by HLR to the foregoing effect;

(b) HLR shall have received all documents it may reasonably request relating to the existence of NHL and its Subsidiaries and the authority of NHL for this Agreement and the HLR Stockholder Agreement, all in form and substance reasonably satisfactory to HLR;

(c) either (i) the Committee on Foreign Investment in the United States shall have determined not to investigate the Merger under Exon-Florio (either by action or nonaction) or (ii) if such Committee shall have determined to make such an investigation, such investigation shall have been completed and the President shall have determined (either by action or nonaction) not to take any action under Exon-Florio with respect to the transactions contemplated by this Agreement;

(d) there shall be no order, decree, injunction of any court or governmental authority of competent jurisdiction that would, and there shall not be threatened or pending by any governmental authority any litigation or investigation that seeks to, (i) prohibit or enjoin consummation of, or materially impair or diminish the intended benefits of, the transactions contemplated hereby, or by the HLR Stockholder Agreement or the Warrant Agreement, (ii) restrain the ownership or operation by HLR or any of its Affiliates of all or any material portion of the assets or business of the Surviving Corporation or any of its Subsidiaries or to compel HLR or any of its Affiliates to dispose of all or any material portion of the business or assets of the Surviving Corporation or HLR or any of its Affiliates, (iii) impose or confirm limitations on the ability of HLR effectively to exercise full rights and privileges of ownership of the HLR-NHL Shares, the Warrants or other NHL Securities HLR may acquire except as limited by the HLR Stockholder Agreement, including, without limitation, the right to exercise the Warrants or to vote any NHL Shares on all matters properly presented to the Surviving Corporation's stockholders, or (iv) require divestiture by HLR or any of its Affiliates or any NHL Shares or other NHL Securities (each such circumstance described in clauses (i) through (iv) being referred to herein as an "HLR Adverse Condition");

(e) all action by, or filings with, any governmental body, agency, official or authority referred to in clauses (i) through (v) of Section 3.3 shall have been obtained and made;

(f) the NHL Cash Consideration and the Roche Warrant Consideration received by NHL pursuant to Section 1.4(b) shall have been deposited with the Exchange Agent as contemplated by Section 1.3 hereof;

(g) HLR shall have received from counsel to NHL an opinion in form and substance reasonably satisfactory to HLR to the effect that the HLR-NHL Shares have been duly authorized and upon delivery to HLR at the Effective Time will be validly issued, fully paid and nonassessable and that the Roche Warrants have been duly authorized and upon payment of the Roche Warrant Consideration will be validly issued; and

(h) RBL and HLR shall have received from their counsel an opinion substantially in the form attached as Exhibit D hereto to the effect that the Merger will constitute a reorganization pursuant to Section 368(a)(1) of the Code.

SECTION 9.3. Conditions to the Obligations of NHL. The obligations of NHL to consummate the Merger are subject to the satisfaction of the following further conditions:

(a)(i) HLR and RBL shall have performed in all material respects all of their respective obligations hereunder required to be performed by them at or prior to the Effective Time, (ii) the representations and warranties of HLR and RBL set forth in Article 4 that are qualified as to materiality shall be true and correct and the representations and warranties of HLR and RBL set forth in Article 4 that are not so qualified shall be true and correct in all material respects, in each case as of the Effective Time as though made on and as of the Effective Time, except to the extent such representations and warranties speak only as of a particular earlier date, and (iii) NHL shall have received a certificate or certificates signed by such executive officers of Roche as reasonably requested by NHL to the foregoing effect;

(b) NHL shall have received all documents it may reasonably request relating to the existence of HLR or RBL and the authority of HLR or RBL for this Agreement and the HLR Stockholder Agreement, all in form and substance reasonably satisfactory to NHL;

(c) HLR shall have deposited the HLR Cash Consideration with the Exchange Agent as contemplated by Section 1.3 hereof and Roche shall have paid the Roche Warrant Consideration to NHL;

(d) there shall be no order, decree, injunction of any court or governmental authority of competent jurisdiction that would, and there shall not be threatened or pending by any governmental authority any litigation that seeks to (i) prohibit or enjoin consummation of, or materially impair or diminish the intended benefits to NHL's stockholders of, the transactions contemplated hereby or by the Warrant Agreement or (ii) restrain the ownership or operation by NHL or any of its Affiliates or the Surviving Corporation of

all or any material portion of the assets or business of either NHL or RBL or any Subsidiary of either or to compel NHL or any of its Affiliates to dispose of all or any material portion of the business or assets of NHL or RBL or any Subsidiary of either (each such circumstances described in clauses (i) and (ii) being referred to herein as an "NHL Adverse Condition");

(e) NHL shall have received from its counsel an opinion substantially in the form attached as Exhibit E hereto to the effect that the Merger will constitute a reorganization pursuant to Section 368(a)(1) of the Code;

(f) all actions by, or filings with, any governmental body, agency, official or authority referred to in clauses (i) through (v) of Section 4.3 shall have been obtained and made; and

(g)(i) Roche shall have performed in all material respects its obligations Under Section 11.9 required to be performed at or prior to the Effective Time, (ii) the representations and warranties of Roche set forth in Section 11.9 that are qualified as to materiality shall be true and correct and the representations and warranties of Roche set forth in Section 11.9 that are not so qualified shall be true and correct in all material respects, in each case as of the Effective Time as though made on and as of the Effective Time, except to the extent such representations and warranties speak only as of a particular earlier date, and (iii) NHL shall have received a certificate or certificates signed by such executive officers of Roche as reasonably requested by NHL to the foregoing effect.

ARTICLE 10
TERMINATION

SECTION 10.1. Termination. This Agreement may be terminated and the Merger may be abandoned at any time prior to the Effective Time (notwithstanding any approval of this Agreement by the stockholders of NHL):

(a) by mutual written consent of NHL and HLR;

(b) by either NHL or HLR, if the Merger has not been consummated by September 1, 1995;

(c)(i) by either NHL or HLR, if there shall be any law or regulation that makes consummation of the Merger illegal or otherwise prohibited or any judgment, injunction, order or decree (other than a temporary restraining order or a preliminary injunction) enjoining consummation of the Merger or (ii) by NHL if any such law or regulation or any judgment, injunction, order or decree, which, if applicable, would in NHL's reasonable judgment constitute an NHL Adverse Condition or (iii) by HLR, if any such law or regulation or any judgment, injunction, order or decree, which, if applicable, would in HLR's reasonable judgment constitute an HLR Adverse Condition;

(d) by NHL in accordance with Section 5.4;

(e) by either HLR or NHL, if the NHL Stockholder Meeting shall have been held and the stockholders of NHL shall have failed to approve, in accordance with Delaware Law, this Agreement (including any amendments to the certificate of incorporation of the Surviving Corporation to be effected thereby, if any, as referred to in Section 2.1);

(f) by HLR, if it is not in material breach of its obligations under this Agreement, if the Board of Directors of NHL shall have (i) withdrawn its recommendation of the Merger or this Agreement (or the transactions contemplated hereby) or (ii) recommended or approved any Acquisition Proposal (other than an Acquisition Proposal made by HLR or a controlled Affiliate of HLR); or

(g) by HLR or NHL if HLR, RBL or NHL shall have received any communication from the Department of Justice or Federal Trade Commission (each an "HSR Authority") (which communication shall be confirmed to the other parties by the HSR Authority) that causes such party to reasonably believe that any HSR Authority has authorized the institution under United States antitrust laws of litigation seeking an order, decree or injunction that, if entered, would (in the reasonable judgment of the party invoking this Section 10.1(g)), be reasonably likely to constitute an NHL Adverse Condition, if NHL is the invoking party, or an HLR Adverse Condition, if HLR is the invoking party.

SECTION 10.2. Effect of Termination. If this Agreement is terminated pursuant to Section 10.1, this Agreement shall become void and of no effect with no liability on the part of any party hereto, except for liability or damages resulting from a wilful breach of this Agreement and except that the agreements contained in this Section 10.2 and in Sections 5.3(b),

6.2(b) and 11.4 shall survive the termination hereof.

ARTICLE 11
MISCELLANEOUS

SECTION 11.1. Notices. All notices, requests and other communications to any party hereunder shall be in writing (including telecopy or similar writing) and shall be given:

if to HLR, to: HLR Holdings Inc.
1403 Foulk Road
Suite 102
P.O. Box 8985
Wilmington, Delaware 19899
Attn.: William D. Johnston

if to RBL, to: Roche Biomedical Laboratories, Inc.
358 South Main Street
Burlington, North Carolina 27215
Attn.: Bradford T. Smith, Esq.

with a copy to: Davis Polk & Wardwell
450 Lexington Avenue
New York, New York 10017
Attn: Peter R. Douglas, Esq.
Telecopy: (212) 450-4800

and

if to NHL, to: National Health Laboratories Holdings Inc.
4225 Executive Square
La Jolla, California 92037
Attn: James G. Richmond, Esq.
Telecopy: (619) 658-6693

with a copy to: Cravath, Swaine & Moore
Worldwide Plaza
825 Eighth Avenue
New York, New York 10019
Attn: Allen Finkelson, Esq.
Telecopy: (212) 474-3700

or such other address or telecopy number as such party may hereafter specify for the purpose by notice to the other parties hereto. Each such notice, request or other communication shall be effective (i) if given by telecopy, when such telecopy is transmitted to the telecopy number specified in this Section 11.1 and the appropriate confirmation of transmittal is received or (ii) if given by any other means, when delivered at the address specified in this Section 11.1.

SECTION 11.2. Survival of Agreements and Representations and Warranties. Except for the representations, warranties and agreements contained in Articles 1, 2 and 8 and Sections 3.13(k), 4.12(k), 7.4, 7.5 and 7.6, the NHL Representations Letter, the HLR Representations Letter, and this Section 11.2 hereof, the representations and warranties and agreements contained herein and in any certificate or other writing delivered pursuant hereto (other than the HLR Stockholder Agreement) shall not survive the Effective Time.

SECTION 11.3. Amendments; No Waivers. (a) Any provision of this Agreement may be amended or waived prior to the Effective Time if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by NHL, HLR and RBL or in the case of a waiver, by the party against whom the waiver is to be effective, provided that after the adoption of this Agreement by the stockholders of NHL, no such amendment or waiver shall, without the further approval of such stockholders, alter or change (i) the NHL Share Conversion, (ii) any term of the certificate of incorporation of the Surviving Corporation or (iii) any of the terms or conditions of this Agreement if such alteration or change would adversely affect the holders of any shares of capital stock of NHL.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 11.4. Fees and Expenses. (a) Except as otherwise provided in this Section 11.4, all costs and expenses incurred in connection with this

Agreement shall be paid by the party incurring such cost or expense, provided however in the event RBL's legal and financial advisory fees and expenses exceed in the aggregate those of NHL, HLR or an Affiliate thereof (other than RBL or NHL or any of their respective Subsidiaries) shall pay such excess amount.

(b) So long as each of HLR and RBL shall not have materially breached its obligations under this Agreement, NHL will pay HLR, in immediately available funds, the amounts referred to below, promptly after the termination of this Agreement (x) pursuant to clause (d) or (f)(i) of Section 10.1 if any Person or group (as defined in Section 13(d)(iii) of the 1934 Act) (other than HLR or an Affiliate of HLR) shall have made an Acquisition Proposal (excluding for this purpose any indication of interest that has not resulted in an offer or proposal) or become the beneficial owner (as defined in Rule 13d-3 promulgated under the 1934 Act) of at least 20% of the outstanding NHL Shares or (y) pursuant to clause (f)(ii) of Section 10.1. The amounts referred to in the preceding sentence are (A) a termination fee of $30,000,000 and (B) up to an additional $7,000,000 as reimbursement for expenses actually incurred by HLR and RBL in connection with this Agreement and the transactions contemplated hereby. For purposes of the foregoing, the reimbursement referred to in clause (B), above, shall be payable only if and to the extent HLR and RBL provide written statements to NHL that they have incurred such expenses and such back-up data as may be reasonably be requested.

SECTION 11.5. Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, provided that no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of the other parties hereto. Section 11.4(b) is intended to be for the benefit of and grant to HLR the rights specified therein, and HLR shall be entitled to enforce the covenants contained therein. Except as provided in the preceding sentence or in Section 7.6, this Agreement shall be binding upon and is solely for the benefit of each of the parties hereto and their respective successors and assigns, and nothing in this Agreement (other than Section 7.6) is intended to confer upon any other Person any rights or remedies of any nature whatsoever under or by reason of this Agreement.

SECTION 11.6. Governing Law. This Agreement shall be construed in accordance with and governed by the law of the State of Delaware.

SECTION 11.7. Counterparts; Effectiveness. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received counterparts hereof signed by all of the other parties hereto.

SECTION 11.8. Certain Definitions. For purposes of this Agreement the phrases "to the knowledge of" or "known to" mean with respect to such Person (x) in the case of NHL, or any of its Subsidiaries, actually known to any regional manager (which is a person in charge of an individual laboratory) of NHL or any Subsidiary or actually known to or which could reasonably be expected to be known by an executive of NHL more senior than a regional manager and (y) in the case of RBL, or any of its Subsidiaries, actually known to a subregional laboratory manager (which is a person in charge of a sub-regional laboratory) of RBL or any Subsidiary or actually known to or which could reasonably be expected to be known by an executive of RBL more senior than a sub-regional manager. Additionally, as used in this Agreement, the following terms have the following meanings:

(a) "Affiliate" means, with respect to any Person, any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such first Person.

(b) "Business Day" means any day except a Saturday, Sunday or other day on which commercial banking institutions in New York City are authorized by law or executive order to close.

(c) "Person" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a governmental or political subdivision or any agency or instrumentality thereof.

SECTION 11.9. Agreements of Roche. (a) Roche represents and warrants to NHL that: Roche is a corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated and has all corporate powers required to carry on its business as now being conducted. The execution, delivery and performance by Roche of this Agreement are within Roche's corporate powers and have been duly

authorized by all necessary corporate action. This Agreement constitutes a valid and binding agreement of Roche. The execution, delivery and performance by Roche of this Agreement require no action by, or filing with, any governmental body, agency, official or authority other than compliance with any applicable requirements of the HSR Act. The execution, delivery and performance by Roche of this Agreement do not and will not (i) contravene or conflict with the certificate of incorporation or the bylaws of Roche or conflict with or constitute a violation of any provision of any law, regulation, judgment, injunction, order or decree binding upon or applicable to Roche, (ii) constitute a default under or give rise to a right of termination, cancellation or acceleration of any right or obligation of Roche or to a loss of any benefit to which Roche is entitled under any provision of any agreement, contract or other instrument binding upon Roche or (iii) result in the creation or imposition of any Lien on any asset of Roche, except in each case for contraventions, conflicts, violations, defaults, rights of termination, cancellation or acceleration, losses of benefits or creation or imposition of Liens that would not be reasonably expected to have, individually or in the aggregate, a material adverse effect on the business, financial condition, assets, results of operations or prospects of Roche and its Subsidiaries, taken as a whole.

(b) Roche agrees to use its best efforts to cause RBL and HLR to perform their obligations under this Agreement.

(c) Roche and its Affiliates have sufficient funds, investments and credit facilities available to it to pay the Roche Warrant Consideration and will to the extent necessary make funds available to HLR to enable HLR to satisfy the obligation of HLR to deposit the HLR Cash Consideration pursuant to Section 1.3.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

NATIONAL HEALTH LABORATORIES
HOLDINGS INC.

By: /s/ James R. Maher

Name: James R. Maher
Title: President and Chief Executive Officer

HLR HOLDINGS INC.

By: /s/ Bradford T. Smith

Name: Bradford T. Smith
Title: Assistant Secretary

ROCHE BIOMEDICAL LABORATORIES, INC.

By: /s/ James B. Powell

Name: James B. Powell
Title: President

HOFFMANN-LA ROCHE INC.

By: /s/ Thomas P. MacMahon

Name: Thomas P. MacMahon
Title: Senior Vice President

Exhibit 2

CONFORMED COPY

WARRANT AGREEMENT

dated as of April 10, 1995

between

National Health Laboratories Holdings Inc.

and

American Stock Transfer & Trust Company, as Warrant Agent

TABLE OF CONTENTS(1)

_____

(1) This Table of Contents is not a part of the Agreement.

WARRANT AGREEMENT

THIS WARRANT AGREEMENT (the "Agreement") is dated as of April 10, 1995 between National Health Laboratories Holdings Inc., a Delaware corporation (the "Company"), and American Stock Transfer & Trust Company as warrant agent (the "Warrant Agent").

WHEREAS, as described in the succeeding two recitals, the Company proposes to issue and deliver its warrant certificates (the "Warrant Certificates") evidencing Common Stock Purchase Warrants (the "Warrants") to purchase, under certain circumstances, up to an aggregate of 23,000,000 shares (the "Warrant Shares"), subject to adjustment, of its Common Stock (as defined below);

WHEREAS, the Company currently intends to declare a dividend to holders of record of Common Stock as of April 21, 1995 (the "Warrant Distribution Record Date") of 0.16308 of a Warrant per share of Common Stock which dividend shall be paid April 28, 1995 (the "Warrant Distribution");

WHEREAS, the Company intends to issue and sell on the terms and subject to the conditions set forth in the Merger Agreement (as defined below) and herein to Hoffmann-La Roche Inc. ("Roche") 8,325,000 Warrants (the "Roche Warrants") for an aggregate purchase price of $51,048,900;

WHEREAS, each Warrant shall entitle the registered holder thereof, on the terms and conditions hereof, to acquire from the Company one share of Common Stock, subject to adjustment; and

WHEREAS, the Warrant Agent, at the request of the Company, has agreed to act as the agent of the Company in connection with the issuance, registration, transfer, exchange, exercise and conversion of Warrants.

NOW, THEREFORE, in consideration of the premises and mutual agreements herein set forth, the parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

SECTION 1.1 Definitions. As used in this Agreement, the following terms shall have the following respective meanings:

"Business Day" means any day except a Saturday, Sunday or other day on which commercial banking institutions in New York City are authorized by law or executive order to close.

"Close of Business" means 5:00 P.M. New York City time.

"Closing Price" means, with respect to the Warrants or shares

of Common Stock, for any day the last sale price, regular way, or, if no such sale takes place on such day, the average of the closing bid and asked prices, regular way, for such day, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the NYSE or, if the Warrants or shares of Common Stock, as the case may be, are not listed or admitted to trading on such exchange, as reported on the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the Warrants or shares of Common Stock, respectively, are listed or admitted to trading, or if the Warrants or shares of Common Stock, as the case may be, are not listed or admitted to trading on any national securities exchange, as reported on NASDAQ/NMS or, if the Warrants or shares of Common Stock, as the case may be, are not listed or admitted to trading on NASDAQ/NMS, as reported on NASDAQ.

"Common Stock" means the common stock, par value $0.01 per share, of the Company.

"Company" has the meaning set forth in the preamble to this Warrant Agreement and its successors and assigns.

"Exercise Price" means the purchase price per share of Common Stock to be paid upon the exercise of each Warrant in accordance with the terms hereof, which price shall be $22.00 per share, subject to adjustment from time to time pursuant to Article 4 hereof.

"Expiration Date" means April 28, 2000, or such other date as may be determined pursuant to Section 2.7 hereof.

"Fractional Warrant" has the meaning set forth in Section 2.11 hereof.

"Fractional Warrant Holder" has the meaning set forth in Section 2.11 hereof.

"Fractional Warrant Proceeds" has the meaning set forth in Section 2.11 hereof.

"Fractional Warrant Share" has the meaning set forth in Section 2.12 hereof.

"Fractional Warrant Share Holder" has the meaning set forth in Section 2.12 hereof.

"Fractional Warrant Share Proceeds" has the meaning set forth in Section 2.12 hereof.

"Holder" means, at any time, a registered holder as shown in the Warrant Register of a Warrant outstanding at such time.

"Market Disruption Event" means one of the following events, circumstances or causes: (i) the suspension of or an imposition of a material limitation on trading in shares generally or (ii) any outbreak or escalation of hostilities or other national or international calamity or crisis.

"Market Price" as at any date of determination means the average of the daily Closing Prices of a share of Common Stock over the Valuation Period applicable to such date of determination.

"Merger Agreement" means the Agreement and Plan of Merger dated as of December 13, 1994, among the Company, HLR Holdings Inc., Roche Biomedical Laboratories, Inc. and, for the purposes stated therein, Roche.

"NASD" means the National Association of Securities Dealers, Inc.

"NASDAQ" means the NASD Automated Quotation System.

"NASDAQ/NMS" means the NASDAQ--National Market System or its successor.

"NHL Stockholder Meeting" shall have the meaning ascribed thereto in the Merger Agreement.

"NYSE" means the New York Stock Exchange, Inc.

"Person" means an individual, a partnership, a corporation, a joint venture, a trust, an incorporated or unincorporated organization, a government or any department or agency thereof.

"Redemption" has the meaning set forth in Section 2.7 hereof.

"Redemption Amount" means, in respect of any Warrant, the amount equal to the excess (if any) of the Market Price for the Valuation Period applicable to the Expiration Date over the Exercise Price.

"Roche" has the meaning set forth in the recitals of this Agreement.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Trading Day" means any day on which either the Warrants or shares of Common Stock, as the case may be, are traded on the applicable securities exchange or in the applicable securities market.

"Transfer Agent" has the meaning set forth in Section 2.6(c) hereof.

"Valuation Period" for any computation of Market Price shall mean the 10 consecutive Trading Days (each, a "Valuation Date") commencing 15 Trading Days and ending five Trading Days before the applicable date as of which the Market Price is being determined.

"Warrant Agent" means the warrant agent named in the preamble of this Agreement or the successor or successors of such Warrant Agent appointed in accordance with the terms hereof.

"Warrant Agent Office" means the office or agency maintained by the Warrant Agent in New York, New York (or such other offices or agencies as may be designated by the Warrant Agent) for the purpose of exchanging, transferring and exercising the Warrants.

"Warrant Certificate" has the meaning set forth in the recitals of this Agreement.

"Warrant Distribution" has the meaning set forth in the recitals of this Agreement

"Warrant Distribution Record Date" has the meaning set forth in the recitals hereof.

"Warrant Register" means the register maintained by the Warrant Agent in which the issue, transfer and cancellation of the Warrants are registered.

"Warrants" has the meaning set forth in the recitals of this Agreement.

"Warrant Share" has the meaning set forth in the recitals of this Agreement.

All references herein to "days" shall mean calendar days unless otherwise specified. All terms defined in this Agreement in the singular shall have a comparable meaning in the plural and vice versa.

ARTICLE 2

ISSUE, FORM, EXERCISE

SECTION 2.1 Amount Issued. Subject to the other provisions of this Agreement (including Article 4), Warrants to purchase no more than 23,000,000 Warrant Shares may be issued and delivered hereunder.

SECTION 2.2 Initial Issuance. Warrant Certificates representing the Warrants shall be initially issued by the Warrant Agent at the time, in the denominations and to the Persons so directed by the Company. Upon the declaration of the Warrant Distribution, the Company shall execute and deliver to the Warrant Agent for countersignature Warrant Certificates representing a number of Warrants equal to the product of (x) the number of outstanding shares of Common Stock on the Warrant Distribution Record Date and (y) 0.16308. At or prior to the Effective Time (as defined in the Merger Agreement) the Company shall execute and deliver to the Warrant Agent for countersignature Warrant Certificates representing the Roche Warrants.

SECTION 2.3 Form of Warrant Certificate. The Warrant shall be in registered form only. The Warrant Certificates and the forms of election to exercise Warrants and of assignment to be printed on the reverse side thereof shall be in substantially the form set forth in Exhibit A hereto together with such appropriate insertions, omissions, substitutions and other

variations as are required or permitted by this Agreement, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with any law or with any rules made pursuant thereto or with any rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Warrants, as evidenced by their execution of the Warrants.

SECTION 2.4 Execution of Warrant Certificates. (a) Warrant Certificates shall be signed on behalf of the Company by the Chairman of its Board of Directors, its Chief Executive Officer, its President, a Vice President or its Treasurer and attested by its Secretary or Assistant Secretary, under its corporate seal. Each such signature upon the Warrant Certificates may be in the form of a facsimile signature of the current or any future Chairman of the Board, Chief Executive Officer, President, Vice President, Treasurer, Secretary or Assistant Secretary and may be imprinted or otherwise reproduced on the Warrant Certificates and for that purpose the Company may adopt and use the facsimile signature of any person who shall have been Chairman of the Board, Chief Executive Officer, President, Vice President, Treasurer, Secretary or Assistant Secretary, notwithstanding the fact that at the time the Warrant Certificates shall be countersigned and delivered or disposed of such person shall have ceased to hold such office. The seal of the Company may be in the form of a facsimile thereof and may be impressed, affixed, imprinted or otherwise reproduced on the Warrant Certificates.

(b) If any officer of the Company who shall have signed any of the Warrant Certificates shall cease to be such officer before the Warrant Certificates so signed shall have been countersigned by the Warrant Agent or disposed of by the Company, such Warrant Certificates nevertheless may be countersigned and delivered or disposed of as though such person had not ceased to be such officer of the Company; and any Warrant Certificate may be signed on behalf of the Company by any person who, at the actual date of the execution of such Warrant Certificate, shall be a proper officer of the Company to sign such Warrant Certificate, although at the date of the execution of this Agreement any such person was not such officer.

SECTION 2.5 Notice to Holders with Respect to Exercise and Redemption. Not earlier than 90 days nor later than 60 days prior to the Expiration Date, the Company shall deliver to the Warrant Agent notice in writing, which notice shall be irrevocable, stating whether or not it shall have elected to redeem the Warrants on the Expiration Date in accordance with Section 2.7 Promptly after receipt of the Company's notice, the Warrant Agent shall mail a notice to all Holders at the addresses set forth on the Warrant Register to the effect that (as applicable) each outstanding Warrant shall be redeemed for the Redemption Amount on the Expiration Date or that such Warrants shall not be redeemed and describing the exercise procedure set forth in Section 2.6 (which notice shall include the statement that the Warrants will terminate and become void as of the Close of Business on the Expiration Date and that failure by a Holder to comply with the exercise procedures will result in the forfeiture of such Holder's rights with respect to such Holder's Warrants).

SECTION 2.6 Exercise of Warrants. (a) Subject to the provisions of this Agreement, each Warrant shall be exercisable only prior to the Close of Business on the Expiration Date and only if the Company shall not have duly elected to effect a Redemption pursuant to Section 2.7. The Warrants shall expire at and become null and void and have no value and no Person shall have any rights thereto as of the Close of Business on the Expiration Date, provided, however, that, notwithstanding such expiration, Holders that have properly exercised Warrants in accordance with this Section 2.6 shall be entitled to receive Warrant Shares with respect to such Holders' Warrants as provided in subsection (b) unless the Company shall have elected to effect a Redemption pursuant to Section 2.7, in which case each Holder shall be entitled to received the Redemption Amount as described in Section 2.7.

(b) Subject to Section 2.7, for each Warrant held, the Holder thereof shall have the right to purchase from the Company (and the Company shall issue and sell to such Holder) one fully paid and non-assessable share of Common Stock at the Exercise Price (in each case subject to adjustment as hereinafter provided) upon (i) surrender to the Warrant Agent, at a Warrant Agent Office of the Warrant Certificate evidencing such Warrant, with the form of election to exercise on the reverse thereof properly completed and signed by the Holder or Holders thereof or by the duly appointed legal representative thereof or by a duly authorized attorney, and (ii) payment of the Exercise Price for the number of Warrant Shares in respect of which such Warrant is being exercised. Such surrender and payment (if applicable) may be made and shall be accepted by the Warrant Agent at any time during the 45 day period immediately preceding the Close of Business on the Expiration Date, but any Warrants so surrendered shall not be deemed to be exercised until the Expiration Date. Payment of the Exercise Price shall be made by a certified or official bank check payable to the order of the Warrant Agent for the

account of the Company or by wire transfer of funds to an account designated by the Company for such purpose. The Warrants evidenced by a Warrant Certificate shall be exercisable, at the election of the Holder thereof, either in their entirety or in part. Except as expressly provided to the contrary in Article 4, no adjustments shall be made for any cash dividends or other cash distributions on Warrant Shares issuable upon the exercise of a Warrant.

(c) Upon the surrender of each Warrant Certificate in accordance with subsection (b) above and payment of the per share Exercise Price (and an amount representing any transfer taxes payable with respect to the issuance of the relevant Warrant Shares) immediately following the Expiration Date, the Company shall issue and cause its transfer agent for the Common Stock ("Transfer Agent") to deliver with all reasonable dispatch to or upon the written order of the Holder and in such name or names as such Holder may designate, a certificate or certificates for the number of full Warrant Shares so purchased upon the exercise of such Warrant or Warrants together with cash as provided in Section 2.12 in respect of any Fractional Warrant Share (as defined below) otherwise issuable upon such exercise. Such certificate or certificates shall be deemed to have been issued and any person so designated to be named therein shall be deemed to have become a holder of record of such Warrant Shares as of the Expiration Date; provided, however, that if, at such date, the transfer books for the Warrant Shares shall be closed, the certificates for the Warrant Shares in respect of which such Warrants are then exercised shall be issuable as of the date on which such books shall next be opened and until such date Holders shall be under no duty to deliver any certificates for such Warrant Shares; provided further, however, that such transfer books, unless otherwise required by law, shall not be closed at any one time for a period longer than 20 calendar days.

SECTION 2.7 Redemption. (a) Notwithstanding Section 2.6, the Company shall have the right to redeem all, but not less than all, of the Warrants on the Expiration Date by payment to each Holder as of the Expiration Date in cash of the Redemption Amount with respect to the Warrants held by such Holder as of the Expiration Date (a "Redemption"), but only if the Company shall have timely delivered to the Warrant Agent the notice of its election to redeem the Warrants referred to in Section 2.5. If the Company has elected to redeem the Warrants as herein provided, at or immediately prior to the Expiration Date, the Company shall cause to be transferred to the Warrant Agent an amount in immediately available funds equal to the aggregate Redemption Amount for all outstanding Warrants for payment by the Warrant Agent to the Holders as of the Expiration Date in respect of the Warrants held as of the Expiration Date. If the Company shall have duly elected to redeem the Warrants but the aggregate Redemption Amount is zero or less than zero, no amount shall be required to be paid by the Company in respect of the redemption of the Warrants but the Warrants shall nonetheless be deemed to have been redeemed.

(b) If the Company has duly elected to redeem the Warrants and the Company determines in its sole discretion that a Market Disruption Event has occurred and is continuing on any day that but for the occurrence of a Market Disruption Event would have been a Valuation Date with respect to the determination of the Redemption Amount, then such day shall not be deemed to be a Valuation Date and the Valuation Date shall instead be deemed to be the next Trading Day on which the Company determines that no Market Disruption Event is continuing and the Valuation Period shall be extended accordingly. If the Valuation Period shall have been so extended, then the Expiration Date for purposes of the Redemption shall be deemed to be the fifth Trading Day after the end of the Valuation Period as so extended. In the event that the Company determines that a Market Disruption Event has occurred, the Company shall give telephonic notice (promptly confirmed in writing) of such event to the Warrant Agent.

SECTION 2.8 Certain Action. Before taking any action that would cause an adjustment pursuant to Article 4 reducing the Exercise Price below the then par value (if any) of the Warrant Shares issuable upon exercise of the Warrants, the Company will take any corporate action that may, in the opinion of its counsel, be necessary in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares at the Exercise Price as so adjusted.

SECTION 2.9 No Voting Rights. Prior to the exercise of the Warrants and the issuance of Warrant Shares in respect thereof, no Holder, as such, shall be entitled to any rights of a stockholder of the Company including, without limitation, the right to receive dividends or subscription rights, the right to vote, to consent, to exercise any preemptive right, to receive any notice of meetings of stockholders for the election of directors of the Company or any other matter or to receive any notice of any proceedings of the Company, except as may be specifically provided for herein.

SECTION 2.10 Warrant Shares to be Fully Paid and Nonassessable.

The Company covenants that all Warrant Shares issued upon exercise of the Warrants will, upon payment of the applicable Exercise Price, delivery of properly completed forms of election to exercise and issuance of such Warrant Shares in accordance with the terms of this Agreement, be fully paid and nonassessable and free from all liens, charges and security interests created by or imposed upon the Company with respect to the issuance and holding thereof. The Company shall no less than 50 days prior to the Expiration Date (unless the Company shall have elected to effect a Redemption pursuant to Section 2.7) at all times thereafter until issuance of Warrant Shares in accordance herewith keep reserved out of its authorized shares of Common Stock a number of shares of Common Stock sufficient to provide for the exercise of all outstanding Warrants.

SECTION 2.11 No Fractional Warrants. (a) No certificates or scrip representing fractional Warrants shall be issued to any Holder in the Warrant Distribution. As promptly as practicable following the Warrant Distribution Record Date, the Warrant Agent shall determine with respect to each Person entitled to receive Warrants pursuant to the Warrant Distribution the excess of (x) the number of Warrants delivered to the Warrant Agent by the Company pursuant to Section 2.2 with respect to each such Person over (y) the number of whole Warrants to be distributed with respect to such Person (such excess fraction of a Warrant being hereinafter referred to in connection with each such Person as a "Fractional Warrant"). As soon after the Warrant Distribution Record Date as practicable, the Warrant Agent, as agent for Holders otherwise entitled to receive Fractional Warrants (each, a "Fractional Warrant Holder"), shall aggregate and sell in normal transactions the Fractional Warrants for all Fractional Warrant Holders at then available prices on the NYSE. Until the net proceeds of such sale or sales (the "Fractional Warrant Proceeds") have been distributed to the Fractional Warrant Holders, the Warrant Agent shall hold the Fractional Warrant Proceeds in trust for the Fractional Warrant Holders. The Company shall pay, and deduct from the Fractional Warrant Proceeds, all commissions, transfer taxes and other out-of-pocket transaction costs, including the expenses and compensation of the Warrant Agent, incurred in connection with such sale of the Fractional Warrants. The Warrant Agent shall determine the portion of the net Fractional Warrant Proceeds to which each Fractional Warrant Holder shall be entitled, if any, by multiplying the net Fractional Warrant Proceeds amount by a fraction, the numerator of which is the Fractional Warrant to which such Fractional Warrant Holder would otherwise be entitled and the denominator of which is the aggregate Fractional Warrants to which all Fractional Warrant Holders would otherwise be entitled. As soon as practicable after the determination of the amount of Fractional Warrant Proceeds, if any, to be paid in cash to each Fractional Warrant Holder in lieu of any Fractional Warrants, the Warrant Agent shall make available such amounts, without interest, to each such Fractional Warrant Holder.

(b) If Warrants are to be issued Holders pursuant to Section 4.7(h), the Company and the Warrant Agent shall, prior to such issuance, establish a procedure corresponding to the procedure described in subsection (a) above such that Holders that would otherwise receive Fractional Warrants shall instead receive the appropriate amount of the Fractional Warrant Proceeds thereof.

SECTION 2.12 No Fractional Warrant Shares. Notwithstanding any adjustment pursuant to Article 4 in the number of Warrant Shares purchasable upon the exercise of a Warrant, no certificates or scrip representing fractional Warrant Shares shall be issued upon exercise of a Warrant. As promptly as practicable following the Expiration Date, if the Company shall not have elected to effect a Redemption pursuant to Section 2.7, the Transfer Agent shall determine the excess of (x) the number of Warrant Shares delivered to the Transfer Agent by the Company with respect to each Holder pursuant to Section 2.6 over (y) the aggregate number of whole Warrant Shares to be issued with respect to such Holder (such excess being hereinafter referred to in connection with each such Holder as the "Fractional Warrant Share"). As soon after the Expiration Date as practicable, the Transfer Agent, as agent for Holders otherwise entitled to receive Fractional Warrant Shares (each, a "Fractional Warrant Share Holder"), unless the Company has elected to effect a Redemption pursuant to Section 2.7, shall aggregate and sell in normal transactions the Fractional Warrant Shares for all the Fractional Warrant Share Holders at then available prices on the NYSE or on the principal United States securities exchange on which the Common Stock is listed, if any, or on NASDAQ, if the Common Stock is quoted on NASDAQ. Until the net proceeds of such sale or sales (the "Fractional Warrant Share Proceeds") have been distributed to such Holders, the Transfer Agent will hold the Fractional Warrant Share Proceeds in trust for the Fractional Warrant Share Holders. The Company shall pay, and deduct from the Fractional Warrant Share Proceeds, all commissions, transfer taxes and other out-of-pocket transaction costs, including the expenses and compensation of the Transfer Agent, incurred in connection with such sale of the Fractional Warrant Shares. The Transfer Agent shall determine the portion of the net Fractional Warrant Share Proceeds to which each Fractional Warrant Share Holder shall be entitled, if any, by

multiplying the net Fractional Warrant Share Proceeds amount by a fraction, the numerator of which is the Fractional Warrant Share to which such Fractional Warrant Share Holder would otherwise be entitled and the denominator of which is the aggregate amount of Fractional Warrant Shares to which all such Fractional Warrant Share Holders would otherwise be entitled. As soon as practicable after the determination of the amount of the net Fractional Warrant Share Proceeds, if any, to be paid in cash to each such Fractional Warrant Share Holder in lieu of its Fractional Warrant Share, the Transfer Agent shall make available such amounts, without interest, to each such Fractional Warrant Share Holder.

ARTICLE 3

TRANSFER, EXCHANGE AND REPLACEMENT OF WARRANTS, LISTING

SECTION 3.1 Ownership of Warrants. The Company and the Warrant Agent may deem and treat any Holder as the absolute owner for all purposes, notwithstanding any notation of ownership or other writing on the relevant Warrant Certificate made by anyone, and shall not be affected by any notice to the contrary until due presentation of such Warrant Certificate for registration and transfer as provided in this Article 3.

SECTION 3.2 Registration and Countersignature. Warrant Certificates shall be countersigned manually or by facsimile and dated the date of countersignature by the Warrant Agent and shall not be valid for any purpose unless so countersigned. The Warrant Certificates shall be numbered and shall be registered in the Warrant Register. The countersignature of the Warrant Agent shall be that of a duly authorized employee of the Warrant Agent.

SECTION 3.3 Registration of Transfers and Exchanges. (a) The Warrant Agent shall from time to time register the transfer of any outstanding Warrant Certificate in the Warrant Register, upon surrender of such Warrant Certificate, duly endorsed, and accompanied by a written instrument or instruments of transfer in a form satisfactory to the Warrant Agent, duly signed by the Holder or Holders thereof or by the duly appointed legal representative thereof or by a duly authorized attorney, such signature to be guaranteed by (i) a bank or trust company, (ii) a broker or dealer that is a member of the NASD or (iii) a member of a national securities exchange, and funds sufficient to pay and transfer taxes payable with respect to such transfer. Upon any such registration or transfer, a new Warrant Certificate shall be issued to the transferee.

(b) Warrant Certificates may be exchanged at the option of the holder or holders thereof, when surrendered to the Warrant Agent at a Warrant Agent Office, or at the offices of any successor Warrant Agent as provided in Section 5.3 hereof, for another Warrant Certificate or other Warrant Certificates of like tenor and representing in the aggregate a like number of Warrants.

(c) Notwithstanding paragraphs (a) and (b) above, the Warrant Agent shall not be required to transfer or exchange any Warrant Certificate from and after the 105th day preceding the scheduled Expiration Date provided that if, in the notice provided by the Company pursuant to Section 2.5, the Company shall not have elected to redeem the Warrants, then the Warrant Agent shall permit transfers or exchanges of Warrant Certificates from and after the mailing of the notice to Holders referred to in Section 2.5 but shall not be required to transfer or exchange any Warrant Certificate from and after the 15th day preceding the Expiration Date.

SECTION 3.4 Cancellation of Warrants. If the Company shall purchase or otherwise acquire Warrants, the Company may deliver the Warrant Certificates representing such Warrants to the Warrant Agent to be canceled by it and retired. The Warrant Agent shall cancel all Warrant Certificates so surrendered.

SECTION 3.5 Payments of Taxes. The Company will pay any documentary stamp taxes attributable to the initial issuance of Warrants and of Warrant Shares upon the exercise of Warrants; provided, that the Company shall not be required to pay any tax or taxes which may be payable in respect of any transfer involved in the issue of any Warrant Certificates or any certificates for Warrant Shares in a name other than the registered holder of Warrant Certificate surrendered upon the exercise of a Warrant, and the Company shall not be required to issue or deliver such certificates unless or until the person or persons requesting the issuance thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid.

SECTION 3.6 Mutilated or Missing Warrant Certificates. (a) If (i) any mutilated Warrant Certificate is surrendered to the Warrant Agent or

(ii) the Company and the Warrant Agent receive evidence to their satisfaction of the destruction, loss or theft of any Warrant Certificate, and there is delivered to the Company and the Warrant Agent such security or indemnity as may be reasonably required by them to hold each of them harmless with respect thereto, then, in the absence of notice to the Company or the Warrant Agent that such Warrant Certificate has been acquired by a bona fide purchaser, the Company shall execute and upon its written request the Warrant Agent shall countersign and deliver, in exchange for any such mutilated Warrant Certificate or in lieu of any such destroyed, lost or stolen Warrant Certificate, a new Warrant Certificate of like tenor and for a like aggregate number of Warrants.

(b) Upon the issuance of any new Warrant Certificate under this Section 3.6 the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and other expenses (including the reasonable fees and expenses of the Warrant Agent and of counsel to the Company) in connection therewith.

(c) Every new Warrant Certificate executed and delivered pursuant to this Section 3.6 in lieu of any destroyed, lost or stolen Warrant Certificate shall constitute an original contractual obligation of the Company, whether or not the destroyed, lost or stolen Warrant Certificate shall be at any time enforceable by anyone, and shall be entitled to the benefits of this Warrant Agreement equally and proportionately with any and all other Warrant Certificates duly executed and delivered hereunder.

SECTION 3.7 Governmental Approvals and Stock Exchange Listing. The Company from time to time will use its best efforts (a) to obtain and keep effective any and all permits, consents and approvals of governmental agencies and authorities and to file such documents under federal and state securities acts and laws, which may be or become requisite in connection with the issuance, sale, transfer and delivery of the Warrant Certificates, the exercise of the Warrants and the issuance, sale, transfer and delivery of the Warrant Shares issued upon exercise of Warrants (including, without limitation, causing a registration statement under the Securities Act in respect of the Warrant Shares to be filed and declared effect but, subject to the Company's other contractual obligations, not including maintaining an effective registration statement for purposes of resale of Warrant Shares), provided, however, if any such permits, consents, approvals or documents are not so obtained or effective, the Company will immediately notify the Warrant Agent; (b) to have the Warrants listed on the NYSE or on the principal United States securities exchange on which the Common Stock is listed, if any, or quoted on NASDAQ if the Common Stock is so quoted; and (c) immediately upon the issuance of Warrant Shares upon exercise of Warrants, to have such Warrant Shares listed on the NYSE or on the principal United States securities exchange or exchanges on which the Common Stock is listed, if any, or quoted on NASDAQ if the Common Stock is so quoted. The Company shall cause the Warrants to be delisted on the NYSE or cease to be quoted, as the case may be, effective as of the Close of Business on the Expiration Date. Notwithstanding anything in this Agreement to the contrary, in no event shall a Holder be entitled to exercise a Warrant unless a registration statement filed under the Securities Act in respect of the Warrant Shares is then effective (unless in the opinion of counsel to the Company an exemption from the registration requirements is available under the Securities Act at the time of such exercise).

SECTION 3.8 Transfer to Comply with the Securities Laws. Neither the Warrants nor any of the Warrant Shares, nor any interest in either, may be sold, assigned, pledged, hypothecated, encumbered or in any other manner transferred or disposed of, in whole or in part, except in compliance with applicable United States federal and state securities laws and the terms and conditions hereof and thereof.

SECTION 3.9 Company Option to Repurchase Warrants. The Company and its subsidiaries shall have the option, in their sole discretion, at any time or from time to time, to purchase Warrants (i) in the public market, (ii) by tender or exchange offer available to all Holders at any price or (iii) in private transactions at a price not more than ten percent (10%) over the Market Price of the Warrants as of closing date of each such transaction respectively. Warrants acquired by the Company or its subsidiaries shall be canceled and shall not be available for reissuance or resale.

ARTICLE 4

ANTI-DILUTION PROVISIONS

SECTION 4.1 Adjustment of Exercise Price and Number of Shares Purchasable or Number of Warrants. The Exercise Price, the number of Warrant Shares purchasable upon the exercise of each Warrant and the number of Warrants outstanding are subject to adjustment from time to time upon the

occurrence of the events enumerated in this Article 4.

SECTION 4.2 Stock Dividends, Stock Splits, Combinations and Stock Reclassifications. If the Company shall (i) pay a dividend on its shares of capital stock (including Common Stock) in shares of Common Stock, (ii) subdivide its outstanding shares of Common Stock, (iii) combine its outstanding shares of Common Stock into a smaller number of shares of Common Stock or (iv) issue any shares of its capital stock in a reclassification of the Common Stock (including any such reclassification in connection with a consolidation or merger in which the Company is the continuing corporation), in each case, other than the Merger pursuant to the Merger Agreement, the number of Warrant Shares purchasable upon exercise of each Warrant immediately prior thereto shall be adjusted so that each Holder shall be entitled upon exercise to receive the kind and number of Warrant Shares or other securities of the Company which such Holder would have owned or have been entitled to receive after the happening of any of the events described above, had such Warrant been exercised immediately prior to the happening of such event or any record date with respect thereto. An adjustment made pursuant to this Section 4.2 shall become effective immediately after the effective date of such event retroactive to the record date, if any, for such event.

SECTION 4.3 Rights, Options and Warrants. If the Company shall issue any rights, options or warrants to holders of its outstanding Common Stock (other than pursuant hereto, pursuant to stock option plans or similar plans approved by the Board of Directors of the Company or pursuant to the Merger Agreement), without payment of additional consideration by such holders, entitling them (for a period expiring within 45 days after the record date mentioned below) to subscribe for or purchase shares of Common Stock at a price per share that is lower than the Market Price per share of Common Stock at the record date mentioned below, the number of Warrant Shares thereafter purchasable upon the exercise of each Warrant shall be determined by multiplying the number of Warrant Shares theretofore purchasable upon exercise of each Warrant by a fraction, of which the numerator shall be (i) the number of shares of Common Stock outstanding on the record date for the issuance of such rights, options or warrants plus the number of additional shares of Common Stock offered for subscription or purchase, and of which the denominator shall be (ii) the number of shares of Common Stock outstanding on the record date for the issuance of such rights, options or warrants plus the number of shares which the aggregate offering price of the total number of shares of Common Stock so offered would purchase at the Market Price per share of Common Stock at such record date. Such adjustment shall be made whenever such rights, options or warrants are issued, and shall become effective immediately on the date of issuance retroactive to the record date for the determination of stockholders entitled to receive such rights, options or warrants.

SECTION 4.4 Certain Distributions. If the Company shall distribute to all holders of its shares of Common Stock evidences of its indebtedness of assets (excluding cash dividends or distributions payable out of consolidated earnings or earned surplus and dividends or distributions referred to Section 4.2) or rights, options or warrants or convertible or exchangeable securities containing the right to subscribe for or purchase shares of Common Stock (excluding those referred to in Section 4.3), then in each case the number of Warrant Shares thereafter purchasable upon the exercise of each Warrant shall be determined by multiplying the number of Warrant Shares theretofore purchasable upon the exercise of each Warrant, by a fraction, of which the numerator shall be (i) the then current Market Price per share of Common Stock on the date of such distribution, and of which the denominator shall be (ii) the then current Market Price per share of Common Stock on the date of such distribution, less the then fair value (as determined in good faith by the Board of Directors of the Company, whose determination shall be conclusive and shall be evidenced by a resolution filed with the Warrant Agent) of the portion of the assets or evidences of indebtedness so distributed or of such subscription rights, options or warrants or convertible or exchangeable securities applicable to one share of Common Stock. Such adjustment shall be made whenever any such distribution is made, and shall become effective on the date of distribution retroactive to the record date for the determination of stockholders entitled to receive such distribution.

SECTION 4.5 Capital Reorganizations and Stock Reclassifications. In the event of any capital reorganization or any reclassification of the Common Stock (except as provided in Section 4.2, 4.3, 4.4 or 4.6), any Holder of Warrants upon exercise thereof shall be entitled to receive, in lieu of the Common Stock to which such Holder would have become entitled upon exercise immediately prior to such reorganization or reclassification, the shares (of any class or classes) or other securities or property of the Company that such Holder would have been entitled to receive at the same aggregate Exercise Price upon such reorganization or reclassification if such Holder's Warrants had been exercised immediately prior thereto; and in any such case, appropriate

provision (as determined in good faith by the Board of Directors of the Company, whose determination shall be conclusive and shall be evidenced by a resolution filed with the Warrant Agent) shall be made for the application of this Article 4 with respect to the rights and interests thereafter of the Holders (including the allocation of the adjusted Exercise Price between or among shares of classes of capital stock), to the end that this Article 4 (including the adjustments of the number of shares of Common Stock or other securities purchasable and the Exercise Price thereof) shall thereafter be reflected, as nearly as reasonably practicable, in all subsequent exercises of the Warrants for any shares or securities or other property thereafter deliverable upon the exercise of the Warrants.

SECTION 4.6 Consolidations, Mergers, Sales and Conveyances. In case of any consolidation of the Company with or merger of the Company into another corporation or in case of any sale or conveyance to another corporation of the property of the Company as an entirety or substantially as an entirety, the Company or such successor or purchasing corporation, as the case may be, shall execute with the Warrant Agent an agreement that each Holder shall have the right thereafter upon payment of the Exercise Price in effect immediately prior to such action to purchase upon exercise of each Warrant the kind and amount of shares and other securities and property which such holder would have owned or have been entitled to receive after the happening of such consolidation, merger, sale or conveyance had such Warrant been exercised immediately prior to such action. The Company shall mail by first-class mail, postage prepaid, to each Holder, notice of the exception of any such agreement. Such agreement shall provide for adjustments, which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Article 4. The provisions of this Section 4.6 shall similarly apply to successive consolidations, mergers, sales or conveyances. The Warrant Agent shall be under no duty or responsibility to determine the correctness of any provisions contained in any such agreement relating either to the kind or amount of shares of stock or other securities or property receivable upon exercise of Warrants or with respect to the method employed and provided therein for any adjustments and shall be entitled to rely upon the provisions contained in any such agreement.

SECTION 4.7 Adjustment Rules. (a) For the purposes of adjustments required by Section 4.2 and Section 4.3, the shares of Common Stock that the holder of any rights, options, warrants or convertible or exchangeable securities shall be entitled to subscribe for or purchase shall be deemed to be issued and outstanding as of the date of sale, issuance or distribution of such securities and the consideration, if any, received by the Company therefor shall be deemed to be the consideration received by the Company for such securities, plus the consideration or premiums stated in such securities to be paid for the shares of Common Stock covered thereby.

(b) Except for adjustments required by Section 4.6, no adjustment in the number of Warrant Shares purchasable hereunder shall be required unless such adjustment would require an increase or decrease of at least one percent in the number of Warrant Shares purchasable upon the exercise of each Warrant; provided, however, that any adjustments which by reason of this Section 4.7(b) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations shall be made to the nearest cent and to the nearest one-hundredth of a share, as the case may be.

(c) Whenever the number of Warrant Shares purchasable upon the exercise of each Warrant is adjusted as herein provided (whether or not the Company then or thereafter elects to issue additional Warrants in substitution for an adjustment in the number of Warrant Shares as provided in Section 4.7(h)), the Exercise Price payable upon exercise of each Warrant shall be adjusted by multiplying such Exercise Price immediately prior to such adjustment by a fraction, of which the numerator shall be the number of Warrant Shares purchasable upon the exercise of each Warrant immediately prior to such adjustment, and of which the denominator shall be the number of Warrant Shares so purchasable immediately thereafter, provided, however, that the Exercise Price shall not be reduced below par unless the Company has taken action pursuant to Section 2.8.

(d) For the purpose of this Article 4, the term "shares of Common Stock" shall mean (i) the class of stock designated as the Common Stock of the Company at the date of this Agreement, or (ii) any other class of stock resulting from successive changes or reclassification of such shares consisting solely of changes in par value, or from par value to no par value, or from no par value to par value. If at any time, as a result of an adjustment made pursuant to Section 4.2 or Section 4.5 above, the holders of Warrants shall become entitled to purchase any shares of the Company other than shares of Common Stock, thereafter the number of such other shares so purchasable upon exercise of each Warrant and the Exercise Price with respect to such shares shall be subject to adjustment from time

to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Warrant Shares contained in Section 4.2 through Section 4.5 and subsections (a), (b) and (c) of this Section 4.7, inclusive, above, and the provisions of Sections 3.2, 3.5, 3.7 and 4.9, with respect to the Warrant Shares, shall apply on like terms to any such other shares.

(e) Except as provided in Sections 4.2, 4.3 and 4.4, no adjustment in respect of any dividends shall be made during the term of a Warrant or upon the exercise of a Warrant.

(f) Irrespective of any adjustments in the Exercise Price or the number or kind of shares purchasable upon the exercise of the Warrants, Warrants theretofore or thereafter issued may continue to express the same price and number and kind of shares as are stated in the Warrants initially issuable pursuant to this Agreement.

(g) Upon the expiration of any rights, options, warrants or conversion or exchange privileges, if any thereof shall not have been exercised, the Exercise Price and the number of Warrant Shares purchasable upon the exercise of each Warrant shall, upon such expiration, be readjusted and shall thereafter be such as it would have been had it been originally adjusted (or had the original adjustment not been required, as the case may be) as if (i) the only shares of Common Stock so issued were the shares of Common Stock, if any, actually issued or sold upon the exercise of such rights, options, warrants or conversions or exchange rights and (ii) such shares of Common Stock, if any, were issued or sold for the consideration actually received by the Company upon such exercise plus the aggregate consideration, if any, actually received by the Company for the issuance, sale or grant of all of such rights, options, warrants or conversion or exchange rights whether or not exercised; provided, that no such readjustment shall have the effect of increasing the Exercise Price or decreasing the number of shares by an amount in excess of the amount of the readjustment initially made in respect to the issuance, sale or grant of such rights, options, warrants or conversion or exchange rights.

(h) The Company may elect, on or after the date of any adjustment required by Section 4.2 through Section 4.5, to adjust the number of Warrants in substitution for an adjustment in the number of Warrant Shares purchasable upon the exercise of a Warrant. Each of the Warrants outstanding after such adjustment of the number of Warrants shall be exercisable for the same number of Warrant Shares as immediately prior to such adjustment. Each Warrant held of record prior to such adjustment of the number of Warrants shall become that number of Warrants (calculated to the nearest hundredth) obtained by dividing the Exercise Price in effect prior to adjustment of the Exercise Price by the Exercise Price in effect after adjustment of the Exercise Price. The Company shall notify the Holders in the same manner as provided in Section 4.8, of its election to adjust the number of Warrants, indicating the record date for the adjustment, and, if known at the time, the amount of the adjustment to be made. This record date may be the date on which the Exercise Price is adjusted or any date thereafter. Upon each adjustment of the number of Warrants pursuant to this Section 4.7(h) the Company shall, as promptly as practicable, cause to be distributed to Holders as of such record date Warrant Certificates evidencing, subject to Sections 2.8 and 2.11, the additional Warrants to which such holders shall be entitled as a result of such adjustment, or, at the option of the Company, shall cause to be distributed to such holders of record in substitution and replacement for the Warrant Certificates held by such holders prior to the date of adjustment, and upon surrender thereof, if required by the Company, new Warrant Certificates evidencing all the Warrants to be issued, executed and registered in the manner specified in Sections 3.2 and 3.3 (and which may bear, at the option of the Company, the adjusted Exercise Price) and shall be registered in the names of the Holders on the record date specified in the notice.

SECTION 4.8 Notice to Holders with Respect to Adjustments. Not more than 30 days following the record date or effective date, as the case may be, of any adjustment or readjustment pursuant to this Article 4, the Company shall forthwith file in the custody of its Secretary or an Assistant Secretary at its principal executive office and with the Warrant Agent, an officers' certificate showing the adjusted number of Warrant Shares purchasable upon exercise of the Warrants, the additional number of Warrants to be issued for each outstanding Warrant or the adjusted Exercise Price, as the case may be, determined as herein provided, setting forth in reasonable detail the facts requiring such adjustment and the manner of computing such adjustment. Each such officers' certificate shall be signed by the Chairman, President or Chief Financial Officer of the Company and by the Secretary or any Assistant Secretary of the Company. Each such officers' certificate shall be made available at the Warrant Agent Office all reasonable times for inspection by the Holder or any Holder of a Warrant and then upon written

request of a Holder the Warrant Agent shall mail a copy of such certificate by first-class mail to such Holder.

ARTICLE 5

WARRANT AGENT

SECTION 5.1 Appointment of Warrant Agent. The Company hereby appoints the Warrant Agent to act as agent for the Company in accordance with the instructions hereinafter in this Agreement set forth; and the Warrant Agent hereby accepts such appointment, upon the terms and conditions hereinafter set forth.

SECTION 5.2 Warrant Agent. (a) The Warrant Agent undertakes the duties and obligations imposed by this Agreement upon the following terms and conditions, by all of which the Company and the Holders, by their acceptance of the Warrants, shall be bound:

(i) the statements contained herein and in the Warrant Certificates shall be taken as statements of the Company, and the Warrant Agent assumes no responsibility for the correctness of any of the same except such as describes the Warrant Agent or action taken or be taken by it. Except as herein otherwise provided, the Warrant Agent assumes no responsibility with respect to the execution, delivery or distribution of the Warrant Certificates.

(ii) The Warrant Agent shall not be responsible for any failure of the Company to comply with any of the covenants contained in this Agreement or in the Warrant Certificates to be complied with by the Company nor shall it at any time be under any duty or responsibility to any Holder to make or cause to be made any adjustment in the Exercise Price or in the number of Warrant Shares issuable upon exercise of any Warrant (except as instructed by the Company), or to determine whether any facts exist which may require any such adjustments, or with respect to the nature or extent of or method employed in making any such adjustments when made.

(iii) The Warrant Agent may consult at any time with counsel satisfactory to it (who may be counsel for the Company) and the Warrant Agent shall incur no liability or responsibility to the Company or any holder of any Warrant Certificate in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with the opinion or the advice of such counsel.

(iv) The Warrant Agent shall incur no liability or responsibility to the Company or to any Holder for any action taken in reliance on any notice, resolution, waiver, consent, order, certificate or other paper, document or instrument believed by it to be genuine and to have been signed, sent or presented by the proper party or parties.

(v) The Company agrees promptly to pay the Warrant Agent the compensation to be agreed upon with the Company for all services rendered by the Warrant Agent and to reimburse the Warrant Agent for its reasonable out-of-pocket expenses (including attorneys' fees and expenses) incurred by the Warrant Agent without negligence, bad faith or breach of this Agreement on its part in connection with the services rendered by it hereunder. The Company also agrees to indemnify the Warrant Agent for, and to hold it harmless against, any loss, liability or expense (including reasonable attorneys' fees and expenses) incurred without negligence, bad faith or breach of this Agreement on the part of the Warrant Agent, arising out of or in connection with its acting as such Warrant Agent hereunder, as well as the reasonable costs and expenses of defending against any claim of liability in the premises. The obligations of the Company under this Section 5.2 shall survive the termination of this Agreement.

(vi) The Warrant Agent shall be under no obligation to institute any action, suit or legal proceeding or to take any other action likely to involve expense unless the Company or one or more registered holders of Warrant Certificates shall furnish the Warrant Agent with reasonable security and indemnity for any costs or expenses which may be incurred. All rights of action under this Agreement or under any of the Warrants may be enforced by the Warrant Agent without possession of any of the Warrant Certificates or the production thereof at any trial or other proceeding relative thereto, and any such action, suit or proceeding instituted by the Warrant Agent shall be brought in its name as Warrant Agent, and any recovery or judgment shall be for the ratable benefit of the Holders, as their respective rights or interests may appear.

(vii) The Warrant Agent, and any stockholder, director, officer or employee thereof, may buy, sell or deal in any of the Warrants or other securities of the Company or become pecuniarily interested in any transaction in which the Company may be interested, or contract with or lend money to the Company or otherwise act as fully and freely as though they were not the Warrant Agent under this Agreement, or a stockholder, director, officer or employee of the Warrant Agent, as the case may be. Nothing herein shall preclude the Warrant Agent from acting in any other capacity for the Company or for any other legal entity.

(viii) The Warrant Agent shall act hereunder solely as agent for the Company, and its duties shall be determined solely by the provisions hereof. The Warrant Agent shall not be liable for anything which it may do or refrain from doing in connection with this Agreement except for its own negligence or bad faith.

(ix) The Company agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Warrant Agent for the carrying out or performing of the provisions of this Agreement.

(x) The Warrant Agent shall not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due execution hereof by the Warrant Agent) or in respect of the validity or execution of any Warrant Certificate (except its countersignature thereof), nor shall the Warrant Agent by any act hereunder be deemed to make any representation or warrant as to the authorization or reservation of the Warrant Shares to be issued pursuant to this Agreement or any Warrant Certificate or as to whether the Warrant Shares will when issued be validly issued, fully paid and nonassessable or as to the Exercise Price or the number of Warrant Shares issuable upon exercise of any Warrant.

(xi) The Warrant Agent is hereby authorized and directed to accept instructions with respect to the performance of its duties hereunder from the Chairman of the Board, the Chief Executive Officer, the President, any Vice President, the Treasurer, the Secretary or an Assistant Secretary of the Company, and to apply to such officers for advice or instructions in connection with its duties, and shall not be liable for any action taken or suffered to be taken by it in good faith in accordance with instruction of any such officer or in good faith reliance upon any statement signed by any one of such officers of the Company with respect to any fact or matter (unless other evidence in respect thereof is herein specifically prescribed) which may be deemed to be conclusively proved and established by such signed statement.

SECTION 5.3 Change of Warrant Agent. If the Warrant Agent shall resign (such resignation to become effective not earlier than 60 days after the giving of written notice thereof to the Company and the Holders) or shall become incapable of acting as Warrant Agent or if the Board of Directors of the Company shall by resolution remove the Warrant Agent (such removal to become effective not earlier than 30 days after the filing of a certified copy of such resolution with the Warrant Agent and the giving of written notice of such removal to the registered holders of Warrant Certificates), the Company shall appoint a successor to the Warrant Agent. If the Company shall fail to make such appointment within a period of 30 days after such removal or after it has been so notified in writing of such resignation or incapacity by the Warrant Agent, then any Holder may apply to any court of competent jurisdiction for the appointment of a successor to the Warrant Agent. Pending appointment of a successor to the Warrant Agent, either by the Company or by such a court, the duties of the Warrant Agent shall be carried out by the Company. Any successor Warrant Agent, whether appointed by the Company or by such a court, shall be a bank or trust company, in good standing, incorporated under the laws of any state or of the United States of America. As soon as practicable after appointment of the successor Warrant Agent, the Company shall cause written notice of the change in the Warrant Agent to be given to each of the Holders at such Holder's address appearing on the Warrant Register. After appointment, the successor Warrant Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Warrant Agent without further act or deed. The former Warrant Agent shall deliver and transfer to the successor Warrant Agent any property at the time held by it hereunder and execute and deliver, at the expense of the Company, any further assurance, conveyance, act or deed necessary for the purpose. Failure to give any notice provided for in this Section 5.3 or any defect therein, shall not affect the legality or validity

of the removal of the Warrant Agent or the appointment of a successor Warrant Agent, as the case may be.

SECTION 5.4 Merger, Consolidation or Change of Name of Warrant Agent. (a) Any corporation into which the Warrant Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Warrant Agent shall be a party, or any corporation succeeding to the shareholder services business of the Warrant Agent, shall be the successor to the Warrant Agent hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such corporation would be eligible for appointment as a successor Warrant Agent under the provisions of Section 5.3. If at the time such successor to the Warrant Agent shall succeed under this Agreement, any of the Warrant Certificates shall have been countersigned but not delivered, any such successor to the Warrant Agent may adopt the countersignature of the original Warrant Agent, and if at that time any of the Warrant Certificates shall not have been countersigned, any successor to the Warrant Agent may countersign such Warrant Certificates either in the name of the predecessor Warrant Agent or in the name of the successor Warrant Agent; and in all such cases such Warrant Certificates shall have the full force provided in the Warrant Certificates and in this Agreement.

(b) If at any time the name of the Warrant Agent shall be changed and at such time any of the Warrant Certificates shall have been countersigned but not delivered, the Warrant Agent whose name has changed may adopt the countersignature under its prior name; and if at that time any of the Warrant Certificates shall not have been countersigned, the Warrant Agent may countersign such Warrant Certificates either in its prior name or in its changed name; and in all such cases such Warrant Certificates shall have the full force provided in the Warrant Certificates and in this Agreement.

ARTICLE 6

MISCELLANEOUS

SECTION 6.1 Notices. (a) Except as otherwise provided in Section 6.1(b) any notice, demand or delivery authorized by this Warrant Agreement shall be sufficiently given or made when mailed if sent by first-class mail, postage prepaid, addressed to any Holder of a Warrant at such Holder's address shown on the Warrant Register and to the parties as follows:

If to the Company:

National Health Laboratories Holdings Inc.
4225 Executive Square
Suite 805
La Jolla, CA 92037
Attention: General Counsel

If to the Warrant Agent:

American Stock Transfer & Trust Company
6201 Fifteenth Avenue
Brooklyn, NY 11219
Attention: Joseph Wolf

or such other address as shall have been furnished to the party giving or making such notice, demand or delivery.

(b) Any notice required to be given by the Company to the Holders shall be made by mailing by registered mail, return receipt requested, to the Holders at their respective addresses shown on the Warrant Register. The Company hereby irrevocably authorizes the Warrant Agent, in the name and at the expense of the Company, to mail any such notice upon receipt thereof from the Company. Any notice that is mailed in the manner herein provided shall be presumed to have been duly given when mailed.

SECTION 6.2 Supplements and Amendments. The Company and the Warrant Agent may from time to time supplement or amend this Agreement without the approval of any Holders in order to cure any ambiguity, manifest error or other mistake in this Agreement, or to correct or supplement any provision contained herein that may be defective or inconsistent with any other provision herein, or to make any other provisions in regard to matters or questions arising hereunder that the Company and the Warrant Agent may deem necessary or desirable and that shall not adversely affect, alter or change the interest of the Holders.

SECTION 6.3 Termination. This Agreement shall terminate immediately after (i) the Company has paid the Redemption Amount with respect

to all Holders in the case of a Redemption or (ii) all Warrant Shares in respect of properly exercised Warrants have been issued in the case the Company does not elect to effect a Redemption pursuant to Section 2.7, provided, that the provisions of Section 5.2 shall survive such termination until such time that the obligations contemplated thereunder have been performed.

SECTION 6.4 Governing Law. This Agreement and each Warrant Certificate issued hereunder shall be deemed to be a contract made under the laws of the State of New York and for all purposes shall be governed by and construed in accordance with the internal laws of such State.

SECTION 6.5 Persons Benefiting. This Warrant Agreement shall be binding upon and inure to the benefit of the Company and the Warrant Agent, and their respective successors, assigns, beneficiaries, executors and administrators, and the Holders of the Warrants. Nothing in this Warrant Agreement is intended or shall be construed to confer upon any person, other than the Company, the Warrant Agent and the Holders of the Warrants, any right, remedy or claim under or by reason of this Warrant Agreement or any part hereof.

SECTION 6.6 Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and such counterparts shall together constitute but one and the same instrument.

SECTION 6.7 Headings. The headings of sections of this Agreement have been inserted for convenience of reference only, are not to be considered a part hereof and shall in no way modify or restrict any of the terms or provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Warrant Agreement to be executed and delivered as of the day and year first above written.

NATIONAL HEALTH LABORATORIES
HOLDINGS INC.

By /s/ David C. Flaugh
_____
Title: David C. Flaugh
Senior Executive Vice President
Chief Operating Officer

ATTEST:

/s/ John F. Markus
_____
John F. Markus
Executive Vice President
Assistant Secretary

AMERICAN STOCK TRANSFER
& TRUST COMPANY

By /s/ Herbert J. Lemmer
_____
Title: Herbert J. Lemmer
Vice President

ATTEST:

/s/ Susan Silber
_____
Susan Silber
Assistant Secretary

Exhibit A

WARRANTS TO PURCHASE SHARES OF COMMON STOCK

NUMBER OF WARRANTS

LABORATORY CORPORATION OF AMERICA HOLDINGS

EXPIRING AT 5:00 P.M. NEW YORK CITY TIME ON APRIL 28, 2000

CUSIP 5054OR 11 0

This Warrant Certificate certifies that

or registered assigns,

is the registered holder (the "Holder") of the number of warrants set forth above (each, a "Warrant") issued by Laboratory Corporation of America Holdings, a Delaware corporation (the "Company"), subject to the terms and conditions set forth herein and in the Warrant Agreement referred to on the reverse side hereof. Each Warrant entitles the Holder thereof to purchase from the Company one fully paid and nonassessable share (a "Warrant Share") of common stock, $0.01 par value (the "Common Stock"), of the Company at the initial exercise price per share of $22.00 (the "Exercise Price"), payable in lawful money of the United States of America, subject to adjustment as described below. The Warrants evidenced by this Certificate expire at 5:00 p.m. New York City Time (the "Close of Business") on April 28, 2000 (the "Expiration Date") unless such date is extended at the option of the Company as set forth in the Warrant Agreement referred to on the reverse side hereof.

Subject to the terms and conditions set forth herein and in the Warrant Agreement referred to on the reverse side hereof, a Warrant may be exercised upon proper surrender of this Warrant Certificate and payment of the aggregate Exercise Price to American Stock Transfer & Trust Company (the "Warrant Agent") at 40 Wall Street, 46th Floor, New York, NY 10005 or such other of its offices as may be designated by the Warrant Agent (the "Warrant Agent Office").

The number of Warrants, the Exercise Price and the number of Warrant Shares purchasable upon exercise of a Warrant are subject to adjustment upon the occurrence of certain events as set forth in Article 4 of the Warrant Agreement referred to on the reverse side hereof

Upon notice to the Warrant Agent in accordance with the Warrant Agreement, the Company may at its sole option elect to redeem all but not less than all of the Warrants on the Expiration Date by payment of an amount in cash in respect of each Warrant equal to the Redemption Amount (as defined in the Warrant Agreement). If the Company shall have duly elected to redeem the Warrants but the aggregate Redemption Amount is zero or less than zero, no amount shall be required to be paid by the Company in respect of the redemption of the Warrants but the Warrants shall nonetheless be deemed to have been redeemed.

A Warrant may only be exercised prior to the Close of Business on the Expiration Date and only if the Company shall not have elected to redeem the Warrants (provided that the Warrant Agent will accept surrenders of Warrant Certificates and payments of the Exercise Price in respect of Warrants to be exercised during the 45-day period preceding the Expiration Date, but such Warrants will not be deemed to have been exercised until the Expiration Date). As of the Close of Business on the Expiration Date, the Warrants will become wholly void and of no value.

This Warrant Certificate shall be governed by and construed in accordance with the internal laws of the State of New York.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS WARRANT CERTIFICATE SET FORTH ON THE REVERSE SIDE HEREOF. SUCH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE.

This Warrant Certificate shall not be valid unless countersigned by the Warrant Agent.

IN WITNESS WHEREOF, the Company has caused this Certificate to be executed by the facsimile signature of its duly authorized officer, and the facsimile of the corporate seal hereunto affixed.

Dated:

LABORATORY CORPORATION OF AMERICA HOLDINGS

By /s/ James B. Powell
_____
PRESIDENT

ATTEST

By /s/ Bradford T. Smith
_____
SECRETARY

[facsimile of the seal of the Company]

COUNTERSIGNED AND REGISTERED
AMERICAN STOCK TRANSFER & TRUST COMPANY
NEW YORK, NY AS WARRANT AGENT,

BY _____

AUTHORIZED OFFICER

LABORATORY CORPORATION OF AMERICA HOLDINGS

THIS WARRANT CERTIFICATE IS ISSUED UNDER AND IN ACCORDANCE WITH A WARRANT AGREEMENT, DATED AS OF APRIL 10, 1995, BETWEEN THE COMPANY AND THE WARRANT AGENT (THE "WARRANT AGREEMENT"), AND IS SUBJECT TO THE TERMS AND CONDITIONS CONTAINED IN THE WARRANT AGREEMENT. THE WARRANT AGREEMENT IS HEREBY INCORPORATED BY REFERENCE IN AND MADE A PART OF THIS INSTRUMENT AND IS HEREBY REFERRED TO FOR A DESCRIPTION OF THE RIGHTS, LIMITATIONS OF RIGHTS, OBLIGATIONS, DUTIES AND IMMUNITIES THEREUNDER OF THE WARRANT AGENT, THE COMPANY AND THE HOLDERS. A COPY OF THE WARRANT AGREEMENT MAY BE INSPECTED AT THE WARRANT AGENT OFFICE AND WILL BE PROVIDED BY FIRST-CLASS MAIL, WITHOUT CHARGE, TO ANY REGISTERED HOLDER UPON WRITTEN REQUEST ADDRESSED TO THE WARRANT AGENT AT THE WARRANT AGENT OFFICE. ALL TERMS USED BUT NOT DEFINED HEREIN HAVE THE MEANINGS ASSIGNED TO THEM IN THE WARRANT AGREEMENT.

Warrants may be exercised to purchase Warrant Shares from the Company on, but prior to the Close of Business on, the Expiration Date, at the Exercise Practice set forth on the face hereof, subject to adjustment as described in the Warrant Agreement, but only if the Company shall not have elected to redeem the Warrants as described below. The registered Holder of the Warrants evidenced by this Warrant Certificate may exercise such Warrants by surrendering to the Warrant Agent this Warrant Certificate, with the form of election to exercise set forth hereon properly completed and executed, together with payment of the aggregate Exercise Price, in lawful money of the United States of America, to the Warrant Agent at the Warrant Agent Office. Although such surrender and payment will be accepted during the 45-day period preceding the Expiration Date, Warrants will not be deemed to have been exercised until the Expiration Date.

No adjustment shall be made for any cash dividends on any Warrant Shares issuable upon exercise of this Warrant.

Upon notice to the Warrant Agent not earlier than 90 days nor later than 60 days prior to the Expiration Date, the Company may at its sole option elect to redeem all but not less than all Warrants on the Expiration Date by payment of an amount in cash in respect of each Warrant equal to the Redemption Amount (as defined in the Warrant Agreement). If the Company shall have duly elected to redeem the Warrants but the aggregate Redemption Amount is zero or less than zero, no amount shall be required to be paid by the Company in respect of the redemption of the Warrants but the Warrants shall nonetheless be deemed to have been redeemed.

Warrants shall expire at and become null and void and have no value and no Person shall have any rights with respect thereto as of the Close of Business on the Expiration Date, provided, however, that, notwithstanding such expiration, Holders who have properly exercised Warrants in accordance herewith and with the Warrant Agreement prior to such Close of Business shall be entitled to receive Warrant Shares with respect to such Holders' Warrants unless the Company shall have elected to redeem the Warrants as described below, in which case each Holder shall be entitled to receive the Redemption Amount.

No certificates or script representing fractional Warrant Shares shall be issued upon exercise of a Warrant. As promptly as practicable following the Expiration Date, if the Company shall not have elected to redeem

the Warrants, the Company shall pay to each Holder otherwise entitled to receive fractional Warrant Shares, if any, a cash amount in lieu of such fractional Warrant Shares which shall be equal to the proceeds from the sale of such Holder's fractional Warrant Shares as provided in the Warrant Agreement, without interest thereon and after deduction of all commissions, transfer taxes and other out-of-pocket transaction costs, including the expenses and compensation of the Warrant Agent, incurred in connection with such sale of the fractional Warrant Shares.

Warrant Certificates, when surrendered at the Warrant Agent office in person or by a legal representative or attorney duly authorized in writing, may be exchanged, in the manner and subject to the limitations provided in the Warrant Agreement, but without payment of any service charge, for another Warrant Certificate or Warrant Certificates of like tenor evidencing a Warrant to purchase in the aggregate a like number of Warrant Shares.

A new Warrant Certificate or Warrant Certificates of like tenor and evidencing a Warrant or Warrants to purchase in the aggregate a like number of Warrant Shares shall be issued to a transferee designated by a Holder upon surrender of a Warrant Certificate, duly endorsed, and accompanied by a written instrument or instruments of transfer in a form satisfactory to the Warrant Agent, duly signed by the Holder or Holders or by the duly appointed legal representative thereof or by a duly authorized attorney, such signature to be guaranteed by (i) a bank or trust company, (ii) a broker or dealer that is a member of the National Association of Securities Dealers, Inc. or (iii) a member of national securities exchange, and funds sufficient to pay any transfer taxes payable on such transfer.

Notwithstanding the foregoing, the Warrant Agent shall not be required to register the transfer or exchange of any Warrant Certificate from and after the 105th day preceding the scheduled Expiration Date, provided that if, in the notice provided by the Company pursuant to Section 2.5 of the Warrant Agreement, the Company shall not have elected to redeem the Warrants, then the Warrant Agent shall permit transfers or exchanges of Warrant Certificates from and after the mailing of the notice to Holders referred to in Section 2.5 of the Warrant Agreement but shall not be required to register the transfer or exchange of any Warrant Certificate from and after the 15th day preceding the Expiration date.

The Company and its subsidiaries shall have the option, in their sole discretion, at any time or from time to time, to purchase Warrants (i) in the public market, (ii) by tender or exchange offer available to all Holders at any price or (iii) in private transactions at a price not more than ten percent (10%) over the Market Price of the Warrants as of the closing date of each such transaction. Warrants acquired by the Company or its subsidiaries shall be canceled and shall not be available for reissuance or resale.

The Company and the Warrant Agent may deem and treat the registered Holder hereof as the absolute owner of this Warrant Certificate (notwithstanding any notation of ownership or other writing hereon made by anyone) for the purpose of any exercise hereof and for all other purposes, and neither the Company nor the Warrant Agent shall be affected by any notice to the contrary.

FORM OF ELECTION TO EXERCISE
(To Be Executed by Registered Holder Upon Exercise of Warrant)

The undersigned hereby irrevocably elects to exercise the right represented by this Warrant Certificate to receive shares of Common Stock and herewith tenders payment for such shares to the order of Laboratory Corporation of America Holdings in care of American Stock Transfer & Trust Company, 40 Wall Street, 46th Floor, New York, NY. 10005, in the amount of $ in lawful money of the United States of America by certified or official bank check or by wire transfer in accordance with the terms hereof. The undersigned requests that a certificate for such shares be registered in the name of _____
whose address is
_____
and whose Social Security or Taxpayer identification Number is_____ and that such shares be delivered to
_____
whose address is
_____

Dated:_____, 20__

Signature:_____

Note: The above signature must

correspond with the name as written
upon the face of the Warrant

Certificate in every particular without
alteration or enlargement of any change
whatsoever.

Signature

Guaranteed:_____

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as through they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common UNIF GIFT MIN ACT -- _____ Custodian ---

TEN ENT -- as tenants by the entireties (custodian) (minor)
JT TEN -- as joint tenants with the right of survivorship andunder Uniform
Gift to Minors not as tenants in common Act _____
(State)

Additional abbreviations may also be used though not in the above list.

FORM OF ASSIGNMENT
(To Be Executed by Registered Holder Upon Assignment of the Warrant)

FOR VALUE RECEIVED, the undersigned registered Holder hereby sells, assigns and transfers unto

_____
whose address
is_ _____
and whose Social Security or Taxpayer Identification Number is
_____
_____
the Warrants represented by this Warrant Certificate, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint _____ attorney, to transfer the within Warrant Certificate on the books of the Warrant Agent, with full power of substitution.

Dated: _____

Signature:_____
Note: The above signature must
correspond with the name as written
upon the face of the Warrant Certificate
in every particular without alteration or
enlargement or any change whatsoever

Signature

Guaranteed:_____

Exhibit 3
Conformed Copy

STOCKHOLDER AGREEMENT

dated as of April 28, 1995

among

HLR Holdings Inc.,

Roche Holdings, Inc.,

Hoffmann-La Roche Inc.

and

National Health Laboratories Holdings Inc.

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STOCKHOLDER AGREEMENT

STOCKHOLDER AGREEMENT dated as of April 28, 1995 among HLR Holdings Inc., a Delaware corporation ("HLR"), Roche Holdings, Inc., a Delaware corporation ("Holdings") (HLR and Holdings are referred to herein collectively as the "Investor"), Hoffmann-La Roche Inc., a New Jersey corporation (the "Roche Holder" and, for purposes of Articles 6 and 8, the Roche Holder shall be deemed to be, together with HLR and Holdings, the "Investor"), and National Health Laboratories Holdings Inc., a Delaware corporation (the "Company").

WHEREAS, the Company, the Investor and Roche Biomedical Laboratories, Inc., a wholly-owned subsidiary of the Investor ("RBL"), entered into an Agreement and Plan of Merger dated as of December 13, 1994 (the "Merger Agreement") pursuant to which among other things (i) RBL is being merged with and into the Company (the "Merger"), (ii) all of the issued and outstanding stock of RBL (except for shares held by RBL in its treasury) is being converted in the Merger into shares of Common Stock (as defined below) of the Company, (iii) Roche Holder is purchasing certain warrants (the "Roche Warrants") from the Company at the Effective Time and (iv) shares of the Company's Common Stock are being converted in the Merger into the Conversion Consideration (as defined in the Merger Agreement), all upon the terms and subject to the conditions set forth in the Merger Agreement; and

WHEREAS, the Investor, the Company, Mafco Holdings Inc., a Delaware corporation ("Mafco") and National Health Care Group, Inc., a Delaware corporation ("NHCG") and a significant stockholder of the Company, have entered into the Sharing and Call Option Agreement dated as of December 13, 1994 providing, among other things, certain rights and obligations with respect to the Company's Common Stock held by NHCG (the "Sharing and Call Option Agreement"); and

WHEREAS, in connection with the Merger, the Investor, Roche Holder and the Company desire to set forth certain agreements and understandings regarding the Investor's and Roche Holder's interests in the Company;

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and agreements contained herein, the Investor, Roche Holder and the Company hereby agree as follows:

ARTICLE 1
DEFINITIONS

SECTION 1.1. Definitions. Capitalized terms used and not defined herein shall have the meanings assigned to them in the Merger Agreement. As

used in this Agreement, the following terms shall have the following meanings:

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person, provided that no member of the Investor Group shall be deemed an Affiliate of any other stockholder solely by reason of any investment in the Company. For the purpose of this definition, the term "control" (including with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or by contract or otherwise.

"Annual Operating Plan" means, for any year, the operating plan of the Company and its Subsidiaries which plan shall provide for an analysis of gross profits, summary of operating expenses, personnel levels, pricing, budgets for niche businesses, cash flows, capital expenditures and return on funds assigned, and shall be consistent with the then applicable Strategic Plan or the Initial Synergy Plan (as applicable) of the Company.

"Anti-dilutive Rights" has the meaning set forth in Section 3.1(a) hereof.

"Associate" has the same meaning as in Rule 12b-2 promulgated under the Exchange Act as in effect on the date hereof.

"Audit Committee" means the Audit Committee of the Board of Directors described in Section 2.3(a)(i)hereof.

"Board" or "Board of Directors" means the Board of Directors of the Company except where the context requires otherwise.

"Business Day" means any day except a Saturday, Sunday or other day on which commercial banking institutions in New York City are authorized by law or executive order to close.

"By-laws" means the by-laws of the Company, as amended from time to time in accordance herewith.

"Certificate of Incorporation" means the certificate of incorporation of the Company, as amended from time to time in accordance herewith.

"Common Stock" means the common stock of the Company, par value $.01 per share.

"Company" has the meaning set forth in the recitals of this Agreement.

"Demand Registration" has the meaning described in Section 6.1(a) hereof.

"Director" means a member of the Board of Directors.

"Discriminatory Transaction" means any transaction or other corporate action (other than those imposed pursuant to the express terms of this Agreement and other than those imposed with identical effect on all stockholders) which would (x) impose limitations on the legal rights of the Investor or any of its Affiliates or Associates as a stockholder of the Company, including, without limitation, any action which would impose restrictions based upon the size of security holding, nationality of a securityholder, the business in which a securityholder is engaged or other considerations applicable to the Investor and not to stockholders generally, (y) deny any benefit to the Investor or any of its Affiliates or Associates, proportionately as a holder of any class of Voting Stock, that is made available to other holders of any class of Voting Stock or (z) otherwise materially adversely discriminate against the Investor, its Affiliates or its Associates as stockholders of the Company.

"Effectiveness of this Agreement" means the Effective Time (as defined in the Merger Agreement).

"Employee Benefits Committee" means the Employee Benefits Committee of the Board of Directors described in Section 2.3(a)(iii) hereof.

"Equity Security" means (i) any Common Stock or other Voting Stock, (ii) any debt or equity securities of the Company convertible into or exchangeable for Common Stock or other Voting Stock or (iii) any options, rights or warrants (including the Warrants and any similar securities) issued by the Company to acquire Common Stock or other Voting Stock.

"Exchange Act" means the Securities Exchange Act of 1934, as amended,

and the rules and regulations promulgated thereunder.

"GAAP" means generally accepted accounting principles in effect in the United States.

"HLR" has the meaning set forth in the recitals of this Agreement.

"Holdings" has the meaning set forth in the recitals of this Agreement.

"Indebtedness" of any Person means, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person under conditional sale or other title retention agreements relating to property or assets purchased by such Person, (iii) all obligations of such Person issued or assumed as the deferred purchase price of property or services, (iv) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any lien on property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed, (v) all guarantees by such Person of Indebtedness of others, (vi) all obligations of such Person in respect to interest rate protection agreements, foreign currency exchange agreements or other interest or exchange rate hedging arrangements, in each case other than those entered into primarily as a hedge, and (vii) all capital lease obligations of such Person.

"Indemnified Party" has the meaning set forth in Section 6.10 hereof.

"Indemnifying Party" has the meaning set forth in Section 6.10 hereof.

"Independent Director" means a Director of the Company who is none of (i) an officer, employee, Affiliate or Associate of the Company or an officer, employee or director of any Affiliate or Associate of the Company, (ii) an officer, employee, director, Affiliate or Associate of the Investor or (iii) an Investor Director.

"Initial Period" has the meaning set forth in Section 2.1(b) hereof.

"Initial Synergy Plan" means the Strategic Plan applicable to the initial two-year period following the Effectiveness of this Agreement.

"Inspectors" has the meaning set forth in Section 6.6(h) hereof.

"Investor" has the meaning set forth in the recitals of this Agreement.

"Investor Director" means a Director who has been designated for such position by the Investor in accordance with Section 2.1(b) hereof.

"Investor Group" means the Investor and its Affiliates (other than the Company and its Subsidiaries).

"Investor Group Interest" means the percentage of Total Voting Power, determined on the basis of the number of shares of Voting Stock actually outstanding, that is controlled, directly or indirectly, by the Investor and its Affiliates (other than the Company and its Subsidiaries).

"Maintenance Securities" has the meaning set forth in Section 3.1(a) hereof.

"Management Committee" means the Management Committee of the Company as described in Section 2.4 hereof.

"Market Purchase" means an acquisition of Equity Securities that is within the definition of "Rule 10b-18 purchase" under Rule 10b-18(a)(3) promulgated under the Exchange Act as in effect on the date hereof that satisfies the conditions of Rule 10b-18(b).

"Merger" has the meaning set forth in the recitals of this Agreement.

"Merger Agreement" has the meaning set forth in the recitals of this Agreement.

"Nominating Committee" means the Nominating Committee of the Board of Directors as described in Section 2.3(a)(ii) hereof.

"Other Holders" means holders of Equity Securities other than any member of the Investor Group.

"Person" means an individual, a partnership, a joint venture, a corporation, a trust, an incorporated or unincorporated organization, a

government or any department or agency thereof.

"Piggyback Registration" has the meaning set forth in Section 6.4 hereof.

"Public Offering" means an underwritten public offering of Equity Securities pursuant to an effective Registration Statement under the Securities Act.

"RBL" has the meaning set forth in the recitals of this Agreement.

"Records" has the meaning set forth in Section 6.6(h) hereof.

"Registrable Securities" means Equity Securities (including any Common Stock or other Voting Stock issuable upon any conversion or exercise of any Equity Securities which are convertible securities) held by the Investor Group which are Restricted Securities until (i) a registration statement covering such securities has been declared effective by the SEC and such securities have been disposed of pursuant to such effective registration statement, (ii) such securities are sold under circumstances in which all of the applicable conditions of Rule 144 (or any similar provisions then in force) are met, or such securities may be sold pursuant to Rule 144(k) or (iii) such securities are otherwise transferred, the Company has delivered a new certificate or other evidence of ownership for such securities not bearing a legend restricting transfer of such securities and such securities may be resold without subsequent registration under the Securities Act.

"Registration Expenses" means (i) all registration and filing fees, (ii) fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of counsel in connection with blue sky qualifications of the securities registered), (iii) printing expenses, (iv) internal expenses of the Issuer (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), (v) reasonable fees and disbursements of counsel for the Company and customary fees and expenses for independent certified public accountants retained by the Company (including the expenses of any comfort letters or costs associated with the delivery by independent certified public accountants of a comfort letter or comfort letters), (vi) the reasonable fees and expenses of any special experts retained by the Company in connection with such registration, (vii) reasonable fees and expenses of one counsel for the Investor selected by the Investor, (viii) fees and expenses in connection with any review of underwriting arrangements by the National Association of Securities Dealers, Inc. including fees and expenses of any "qualified independent underwriter" and (ix) fees and disbursements of underwriters customarily paid by issuers or sellers of securities; but shall not include any underwriting fees, discounts or commissions attributable to the sale of Registrable Securities, or any out-of-pocket expenses (except as set forth in clause (vii) above) of the Investor (or the agents who manage their accounts) or any fees and expenses of underwriter's counsel.

"Registration Statement" means a registration statement filed by the Company with the SEC in accordance with the Securities Act.

"Restricted Securities" means any Equity Securities which are restricted securities within the meaning of Rule 144(a)(3) (or any successor provision), promulgated under the Securities Act.

"Roche Holder" has the meaning set forth in the recitals of this Agreement.

"Roche Warrants" has the meaning set forth in the recitals of this Agreement.

"Rule 144" and "Rule 144A" means Rule 144 and Rule 144A, as amended, respectively (or any successor provisions), promulgated under the Securities Act.

"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Sharing and Call Option Agreement" has the meaning set forth in the recitals of this Agreement.

"Special Majority Vote of the Board" means approval by a majority of the entire Board of Directors, which majority includes a majority of all Investor Directors and at least one Independent Director.

"Strategic Plan" means the strategic plan of the Company and its Subsidiaries which sets forth the strategic direction for the Company and its

Subsidiaries and their businesses (by strategic business units) for a period of five fiscal years and which provides for, among other things: an analysis of the business environment, business objectives and strategies, business revenues, financial forecasts, capital plans, acquisition and divestiture plans, if any, business segment analysis, and niche business plans.

"Strategic Review" means a review and process that determines whether the Strategic Plan is still valid, reviews progress to date, updates key elements of the Strategic Plan, if deemed necessary, and proposes modifications in objectives and strategies if deemed necessary. Such process shall include a review of (i) whether assumptions (including, as to market factors, competition, regulation, patents, etc.) are still valid; (ii) whether objectives are still realistic; (iii) whether strategies and programs are on track; (iv) whether resource assessments are still valid; and (v) and updated outlook (financial and nonfinancial) if material deviations are expected.

"Subsidiary" has the same meaning as in Rule 12b-2 promulgated under the Exchange Act, as in effect on the date hereof.

A "Substantial Part" of any Person means, as of any date of determination, more than 10% of the fair market value of the total assets of such Person and its Subsidiaries as of the end of such Person's most recent fiscal quarter ending prior to such date of determination.

"13D Group" means any group of Persons formed for the purpose of acquiring, holding, voting or disposing of Voting Stock which would be required under Section 13(d) of the Exchange Act, and the rules and regulations thereunder (as in effect, and based on legal interpretations thereof existing, on the date hereof), to file a statement on Schedule 13D with the SEC as a "person" within the meaning of Section 13(d)(3) of the Exchange Act if such group beneficially owned Voting Stock representing more than 5% of any class of Voting Stock then outstanding.

"Total Voting Power" means the aggregate number of votes entitled to be voted in an election of Directors of the Company by all of the outstanding Voting Stock.

"Voting Power" means the ability to vote or to control, directly or indirectly, by proxy or otherwise, the voting of any Voting Stock in the election of Directors.

"Voting Stock" means securities having the right to vote generally in any election of Directors of the Company.

"Warrant Agreement" means the agreement between the Company and the warrant agent designated therein pursuant to which, warrants, including the Roche Warrants, are being issued as contemplated by the Merger Agreement.

"Warrant Shares" means Common Stock issued upon exercise of the Warrants.

"Warrants" means the warrants issued pursuant to the Warrant Agreement, including the Roche Warrants.

All terms defined in this Agreement in the singular shall have a comparable meaning when used in the plural, and vice versa. For the purpose of this Agreement, the phrases "to the knowledge of" or "known to" mean, with respect to any Person, (i) known to any officer or senior manager of such Person or any Subsidiary of such Person or (ii) could reasonably be expected to be known to any such officer or senior manager.

ARTICLE 2
CORPORATE GOVERNANCE

SECTION 2.1. Composition of the Board of Directors. In consideration of the Investor's interest in the Company following consummation of the Merger, the composition of the Board of Directors shall be determined as provided in this Article 2. The composition of the Board of Directors and the manner of selecting members thereof shall be as follows:

(a) At and after the Effectiveness of this Agreement, the Board of Directors shall be comprised of seven Directors. The number of Directors comprising the Board may be changed only with the approval of the Board in accordance with Section 2.7.

(b) Immediately upon the Effectiveness of this Agreement, the Company, through its Board of Directors, shall cause to be duly appointed to its Board three individuals designated prior to the Merger by the Investor to the Company, which individuals shall include Mr. Jean-Luc Belingard, Mr. Thomas P. Mac Mahon and Dr. James Powell (unless any such individual is unable to serve

in such capacity, in which event the Board shall duly elect as a Director one or more substitute individuals designated by the Investor prior to the Merger), provided that any individual so designated other than the aforementioned Persons shall be reasonably acceptable to a majority of the Independent Directors in office immediately prior to the Effectiveness of this Agreement. (Each individual designated by the Investor to be a Director pursuant to the terms of this Agreement shall be referred to herein as an "Investor Director" and all such Persons shall be referred to herein as the "Investor Directors".) For a period commencing at the Effectiveness of this Agreement and ending at the first anniversary thereof (the "Initial Period"), Mr. James R. Maher shall (unless he is unwilling or unable to serve) be a Director and shall be elected by the Board of Directors to serve as Chairman of the Board for such Initial Period. During the Initial Period, Mr. Mac Mahon shall be elected by the Board of Directors to serve as Vice Chairman of the Board. Following the Initial Period (or at such earlier time as Mr. Maher shall die, resign, retire or be disqualified or removed from office), (i) Mr. Maher shall resign his positions and not stand for reelection as a Director or as a member of any committee of the Board or of the Management Committee (if he is then serving on any such committee) and (ii) Mr. Mac Mahon shall be elected by the Board of Directors to serve as the Chairman of the Board. The position of Vice Chairman will be eliminated after the Initial Period. During the Initial Period, the remaining three Directors shall be Independent Directors and shall be Persons mutually acceptable to the Investor and a majority of the members of the Board of Directors in office immediately prior to the Effectiveness of this Agreement and may include one or more Persons who were Independent Directors prior to the Effective Time, such Persons to serve in each case until the expiration of the term of his respective election (or any earlier termination, resignation or removal).

(c) Except as otherwise provided in Section 2.1(b) with respect to the Initial Period, at all times from and after the Effectiveness of this Agreement, the Directors shall be nominated as follows (it being understood that such nomination shall include any nomination of any incumbent Director for reelection to the Board of Directors):

(i) the Investor shall have the right to designate three Investor Directors, each of whom shall be nominated for Director by the Nominating Committee; and

(ii) the Nominating Committee shall nominate the remaining Directors, each of whom (A) shall have an outstanding reputation for personal integrity and distinguished achievement in areas relevant to the Company (in applying the foregoing criteria the Nominating Committee shall be guided by the quality of the individuals currently serving as Directors of the Company) and (B) shall be an Independent Director.

The composition of the Board of Directors may be changed only with the approval of the Board in accordance with Section 2.7.

(d) If (i) at any time the Investor Group Interest is less than 30% but at least 20%, the Investor shall have the right to designate for nomination two Investor Directors and (ii) at any time the Investor Group Interest shall be less than 20% but at least 10%, the Investor shall have the right to designate for nomination one Investor Director.

(e) If at any time when Mr. Mac Mahon (or any successor) shall be serving as Chairman of the Board, he (or such successor) dies, resigns, retires, is disqualified or is removed from office, such position shall be filled by the Board in accordance with Section 2.7.

(f) The Investor and the Nominating Committee, respectively, shall have the right to designate any replacement for a Director designated for nomination or nominated in accordance with this Section 2.1 by the Investor or the Nominating Committee, respectively, upon the death, resignation, retirement, disqualification or removal from office for other cause of such Director. Such replacement for any Independent Director shall also be an Independent Director conforming to the standard set forth in Section 2.1(c)(ii). The Board of Directors shall duly appoint as a Director each Person so designated to fill a vacancy on the Board.

(g) Without limiting the generality of 2.1(c) Section , in the event that at any time after the Effectiveness of this Agreement the number of Investor Directors on the Board of Directors differs from the number that the Investor has the right (and desire) to designate, (i) if the number of Investor Directors exceeds such number, the Investor shall promptly take all appropriate action to cause to resign that number of the Investor Directors as is required to make the remaining number of such Investor Directors conform to the provisions of this Agreement or (ii) if the number of Investor Directors otherwise is less than such number, the Board shall take all necessary action to create sufficient vacancies on the Board to

permit the Investor to designate the full number of Investor Directors which it is entitled (and desires) to designate pursuant to the provisions of this Agreement (such action may include but need not be limited to seeking the resignation or removal of Directors or, at the request of the Investor and/or calling a special meeting of the shareholders of the Company for the purpose of removing Directors to create such vacancies to the extent permitted by applicable law). Upon the creation of any vacancy pursuant to the preceding sentence, the Investor shall designate the Person to fill any such vacancy in accordance with the provisions of this Agreement and the Board of Directors shall elect each Person so designated.

SECTION 2.2. Solicitation and Voting of Shares. (a) With respect to each meeting of stockholders of the Company at which Directors are to be elected, the Company shall use its best efforts to solicit from the stockholders of the Company eligible to vote in the election of Directors proxies in favor of the nominees selected in accordance with Section 2.1.

(b) In any election of Directors or any meeting of the stockholders of the Company called expressly for the removal of Directors, so long as the Board of Directors includes (and will include after any such election or removal) the number of Investor Directors (and the proportion of the entire Board the Investor is entitled (and desires) to designate as nominees for Investor Directors hereunder) contemplated by Section 2.1, the Investor shall be, and shall use its best efforts to cause its Affiliates to be, present for purposes of establishing a quorum, and shall vote all of their shares of Voting Stock (i) in favor of any nominee or Director selected in accordance with Section 2.1, (ii) in favor of removal of any Director as contemplated by Section 2.1(g), and (iii) against the removal of any Director designated in accordance with Section 2.1 other than (A) for cause and (B) pursuant to Section 2.1(g). In any other matter submitted to a vote of the stockholders of the Company, the Investor Group may vote any or all of its shares of Voting Stock and other Equity Securities in its sole discretion unless such matter was approved by the Investor or a majority of the Investor Directors in accordance with Section 2.7, in which case the Investor shall, and shall use its best efforts to cause its Affiliates to, vote all of their Voting Stock and any other Equity Securities in favor of such matter.

(c) The Investor agrees that it will, and will use its best efforts to cause its Affiliates (other than the Company and its Subsidiaries) to, take all action as a stockholder of the Company or as is otherwise reasonably within its control, as necessary to effect the provisions of this Agreement.

SECTION 2.3. Committees of the Board of Directors. (a) Subject to the general oversight and authority of the full Board of Directors, the Board of Directors shall establish, empower, maintain and elect the members of the following committees of the Board of Directors at all times while this Agreement is in effect:

(i) an Audit Committee, comprised solely of Independent Directors;

(ii) a Nominating Committee which shall, subject to Section 2.1, be responsible for recommending the nomination of Directors and be comprised and conduct itself as follows:

(A) after the Effectiveness of this Agreement, the Nominating Committee shall be composed of two Independent Directors and one Investor Director;

(B) a majority of the Independent Directors shall designate the Independent Directors who shall serve on the Nominating Committee and a majority of the Investor Directors shall designate the Investor Director who shall serve on the Nominating Committee;

(C) a quorum of the Nominating Committee required for any action thereby shall require the attendance of all members thereof; and

(D) the Nominating Committee shall act by majority vote of the entire Nominating Committee;

(iii) an Employee Benefits Committee, responsible, among other things, for (A) recommending to the Board of Directors, for approval by a majority of the Board of Directors (subject to Section 2.7), (I) the adoption and amendment of all employee benefit plans and arrangements and (II) the engagement of, terms of any employment agreements and arrangements with and termination of employment of, all Persons who are or would be designated by the Company as "officers" for purposes of Section 16 of the Exchange Act (such Persons being referred to herein as "Section 16 Officers") and (B) granting under and administering the

Company's stock option incentive plans with respect to the participation therein of Section 16 Officers, which committee shall be comprised solely of Investor Director(s) and Independent Directors (with Independent Directors constituting a majority), who constitute "disinterested persons" (as such term is defined in Rule 16b-3(c) under the Exchange Act), and the Chairman of which committee shall, subject to Section 2.1(b), be Mr. Jean-Luc Belingard until his successor is duly elected; and

(iv) such other committees as the Board of Directors deems necessary or desirable to establish, empower and maintain, provided that such committees are approved by a Special Majority Vote of the Board and are established in compliance with the terms of this Agreement.

(b) Except as otherwise provided in this Agreement or as agreed by a majority of the Independent Directors and the Investor Directors, the number of Investor Directors serving on each committee of the Board of Directors shall be the same proportion of the total membership of such committee as the number of Investor Directors is of the entire Board of Directors, with a minimum of one member so long as the Investor is entitled hereunder to designate one Investor Director. Any members of any committee which are Investor Directors shall, in the event of any vacancy in such membership, be replaced by a majority of the Investor Directors.

(c) If the Investor Group Interest shall be less than 30% but more than 20%, the number of Investor Directors serving on each committee of the Board of Directors (other than the Audit Committee) shall be (x) two, if such committee shall have five or more total members, or (y) one, in all other cases. If the Investor Group Interest shall be less than 20% but more than 10%, the number of Investor Directors serving on each committee of the Board of Directors (other than the Audit Committee) shall be one. Any members of any committee which are Investor Directors shall, in the event of any vacancy in such membership, be replaced by a majority of the Investor Directors.

SECTION 2.4. Management Committee. (a) Immediately after the Effectiveness of this Agreement, the Company shall establish a Management Committee, which shall be comprised and conduct itself as follows:

(i) the Management Committee shall be comprised of (A) the President and Chief Executive Officer of the Company, who shall serve as the Chairman of the Management Committee, (B) the Chief Operating Officer of the Company, (C) the Chief Financial Officer of the Company, (D) the Chief Administrative Officer of the Company, (E) the General Counsel for the Company, (F) the Executive Vice President, Sales and Marketing of the Company, (G) the Executive Vice President, Human Resources of the Company, (H) the Chairman of the Board and (I) the Vice Chairman of the Board, if any, and may include other Board members or executive officers of the Company, in each case in accordance with Section 2.7; and

(ii) the Management Committee shall act by a consensus of the members thereof, provided that such consensus includes the approval of the Chairman of the Management Committee.

(b) The Management Committee shall have the following responsibilities, authority and duties, and such other responsibilities, authority and duties as the Board (acting by Special Majority Vote of the Board) may from time to time grant, subject to the other provisions of this Agreement, the Certificate of Incorporation and the By-laws:

(i) review and approval of the Strategic Plan prior to consideration and approval by the Board in accordance with Section 2.7;

(ii) review and approval of the Annual Operating Plan and annual operating budget of the Company prior to consideration and approval of the Board in accordance with Section 2.7; and

(iii) overseeing the implementation of the Initial Synergy Plan, including the attainment of the synergy goals of such Plan and the integration of the businesses of RBL and its Subsidiaries (prior to the Merger) and the Company.

(c) Meetings of the Management Committee shall be conducted at least six times per year, or more often as determined by the Chairman of the Management Committee, in his discretion.

SECTION 2.5. Notice for Board and Committee Meetings. (a) No action by the Board of Directors or any committee of the Board of Directors shall be valid unless taken at a meeting for which seven days prior notice has been duly given or waived by the Directors or the members of such committee, as the case may be. Such notice shall include a description of the general

nature of the business to be transacted at the meeting, and no other business may be transacted at such meeting unless all Directors or members of the committee as the case may be, are present and consent to the consideration of such other business.

(b) In the case of committee meetings, any committee member unable to participate in Person at any meeting shall be given the opportunity to participate by telephone.

(c) Each of the committees established by the Board of Directors pursuant to Section 2.3 and the Management Committee established pursuant to Section 2.4 shall establish and adopt such other rules and procedures for its operation and governance (consistent with the terms of this Agreement and the Company's Certificate of Incorporation and By-laws) as it shall determine appropriate and may seek such consultation and advice as to matters within its purview as it shall require.

SECTION 2.6. Vacancies on Board Committees and the Management Committee. In the event that any Investor Director or Independent Director ceases to serve on any committee of the Board of Directors or on the Management Committee, the majority of the Investor Directors and the majority of the Independent Directors shall designate, respectively, a replacement member. If after a reasonable time, no successor to such Director is designated in accordance with the terms hereof to serve on such committee, the number of members of such committee may be reduced if such reduction does not (and no such reduction is intended to) result in a change of the relative authorities within such committee among the Investor Directors (taken as a group) and the Independent Directors (taken as a group).

SECTION 2.7. Approval Required for Certain Actions. (a) So long as the Investor Group Interest shall be 30% or more, no action by the Company or any Subsidiary (including but not limited to any action by their respective boards of directors or any committee thereof) shall be taken with respect to any of the following matters without the approval of the Board which approval shall be by a Special Majority Vote of the Board:

(i) the appointment of any of the Chairman of the Board, Chief Executive Officer, President, Secretary, Treasurer, General Counsel, Chief Financial Officer, Chief Operating Officer or Chief Administrative Officer or other executive officer in any similar capacity of the Company or any Subsidiary thereof (and the election of any directors to the board of directors of any such Subsidiary);

(ii) the approval of each Strategic Plan and each Annual Operating Plan developed subsequent to the Effectiveness of this Agreement and any material amendment to, modification of, or deviation from, the Initial Synergy Plan or any other Strategic Plan;

(iii) any merger or consolidation of the Company or any of its Subsidiaries with or into any Person other than the Company or any of its Subsidiaries;

(iv) any amendment to the Certificate of Incorporation or By-laws or any adoption of or amendment to the certificate of incorporation or by-laws of any Subsidiary of the Company;

(v) any acquisition of assets, business, operations or securities by the Company or any Subsidiary thereof by merger or otherwise (whether in one transaction or a series of related transactions) which assets, business, operations or securities would constitute a Substantial Part of the Company measured prior to such transaction;

(vi) any sale, asset exchange, lease, exchange, mortgage, pledge, transfer or other disposition by merger or otherwise by the Company or any of its Subsidiaries (in one transaction or a series of related transactions) of any Subsidiary of the Company or assets of the Company or any Subsidiary thereof which constitutes a Substantial Part of the Company;

(vii) the settling of any litigation, investigation or proceeding involving (A) any governmental authority or (B) any amount proposed to be paid in settlement is in excess of $5,000,000;

(viii) any material transaction between (x) the Company or any of its Subsidiaries, on the one hand, and (y) any stockholder or Affiliate of the Company (other than any Subsidiary of the Company and other than the Investor and its Affiliates), on the other hand (other than as specifically contemplated by the Sharing and Call Option Agreement);

(ix) the issuance of any security of the Company or any

Subsidiaries of the Company (other than as specifically contemplated by the Merger Agreement or the Warrant Agreement or pursuant to the exercise of existing employee stock options);

(x) capital expenditures individually in excess of $1,000,000 or in the aggregate in excess of $50,000,000 per annum or which represent in the aggregate 110% or more of the total amount provided for in the Annual Operating Plan for such year;

(xi) a reclassification, combination, split, subdivision or redemption, purchase or other acquisition, directly or indirectly, of any debt or equity securities or other capital stock of the Company except as provided in the Merger Agreement and the Warrant Agreement;

(xii) any change in the size or composition of the Board of Directors or any committee thereof or of the Management Committee or the establishment of a new committee of the Board;

(xiii) any incurrence, assumption or issuance by the Company or any of its Subsidiaries of Indebtedness other than (x) Indebtedness existing immediately after the Effective Time) and any refinancings thereof and (y) other Indebtedness in an aggregate principal amount at any one time outstanding not to exceed $25,000,000;

(xiv) the declaration of any dividend or the making of any other distribution with respect to, or the redemption, repurchase or other acquisition of, any class of securities of the Company or any of its Subsidiaries, except as expressly otherwise provided in the Merger Agreement or the Warrant Agreement;

(xv) the proposal or entry into by the Company or any of its Subsidiaries of any Discriminatory Transaction;

(xvi) any relocation of the headquarters of the Company;

(xvii) the determination of compensation, benefits, perquisites and other incentives for executive officers (other than officers whose total compensation including employee stock options and similar incentives does not exceed $150,000 annually) and the approval or amendment of any plans or contracts in connection therewith;

(xviii) the adoption or implementation of any takeover defense measures, including the institution, amendment or redemption by the Company or any of its Subsidiaries of any stockholder rights plan or similar plan or device, or any change of control matters (including change of control provisions in agreements to which the Company or any Subsidiary thereof is a party);

(xix) any transaction involving or any action by the Company or any Subsidiary (A) leading to a circumstance in which any Person or 13D Group (other than the Investor and/or its Affiliates) shall beneficially own Equity Securities representing a percentage of Total Voting Power, or any equity interest in the Company greater than 15% or (B) requiring the approval of holders of a majority of the Voting Stock or Equity Securities;

(xx) any change in the fiscal year or the accounting or tax principles, or policies with respect to the financial statements, records or affairs of the Company or any Subsidiary, except as required by GAAP or by law; or

(xxi) the dissolution of the Company or any of its Subsidiaries thereof; the adoption of a plan of liquidation of the Company or any Subsidiaries; or any action by the Company or any of its Subsidiaries to commence any suit, case, proceeding or other action (A) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors seeking to have an order for relief entered with respect to the Company or any of its Subsidiaries, or seeking to adjudicate the Company or any of its Subsidiaries a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with respect to the Company or any of its Subsidiaries or (B) seeking appointment of a receiver, trustee, custodian or other similar official for the Company or any of its Subsidiaries thereof, or for all or any Substantial Part of the Company or any of its Subsidiaries thereof, or making a general assignment for the benefit of the creditors of the Company or any of its Subsidiaries thereof.

SECTION 2.8. Enforcement of this Agreement. A majority of the Independent Directors shall have full and complete authority on behalf of the

Company to enforce the terms of this Agreement.

SECTION 2.9. Certificate of Incorporation and By-laws. The Company and the Investor shall take or cause to be taken all lawful action necessary to ensure at all times that the Company's Certificate of Incorporation and By-laws are not at any time inconsistent with the provisions of this Agreement. Not later than the Effectiveness of this Agreement, the Board of Directors shall amend the Company's By-laws to reflect the provisions of this Article 2. At the Investor's request the Board of Directors shall adopt (and if necessary submit and recommend for approval by stockholders) such other amendments to the Company's Certificate of Incorporation or By-laws as may be reasonably necessary to implement the provisions of this Agreement.

SECTION 2.10. Governance of Company Subsidiaries. The governance of each Subsidiary of the Company shall be conducted in a manner consistent with the governance of the Company as provided in this Agreement. In particular, a Subsidiary shall not take or agree to take any action which, if taken by the Company would require approval of the Investor or a Special Majority Vote of the Board pursuant to the terms of this Agreement, unless such action is first approved by the Investor or a Special Majority Vote of the Board, as the case may be. The Board of Directors shall select the Persons who from time to time shall be elected as the directors of the Company's Subsidiaries subject to Section 2.7.

SECTION 2.11. Strategic Planning Process. (a) The parties have cooperated in preparing the Initial Synergy Plan. The President and Chief Executive Officer of the Company shall, on an annual basis, cause to be prepared and proposed to the Management Committee, a Strategic Plan covering a five-year period beginning with the period 1997-2001. Each year the Strategic Plan shall be proposed to the Management Committee not later than May 1st. In connection with the preparation of each Strategic Plan, the President and Chief Executive Officer shall confer on a reasonable basis with the Management Committee and the Board of Directors.

(b) From time to time, at the request of the President and Chief Executive Officer, and at least once a year during the fourth and fifth fiscal years of a Strategic Plan and prior to the budgeting process for the following year, the President and Chief Executive Officer will hold a Strategic Review with the Management Committee of the Company and, in light of such review, the Management Committee of the Company may propose to the Board of Directors revisions or updates to the Strategic Plan in light of changed circumstance.

(c) Any proposed Strategic Plan or any revisions or updates to the current Strategic Plan will require approval of the Board of Directors, subject to Section 2.7.

SECTION 2.12. Operating Planning Processes. The President and Chief Executive Officer will be responsible for the preparation, on an annual basis, of a proposed Annual Operating Plan for each fiscal year which shall be consistent with the then applicable Initial Synergy Plan or Strategic Plan, as the case may be, and shall be submitted to the Management Committee not later than two months before the beginning of such fiscal year. The financial and operating performance goals in each Annual Operating Plan shall be determined by reference to the applicable Strategic Plan, taking into account such factors as the President and Chief Executive Officer determines are appropriate. Any proposed Annual Operating Plan will require approval of the Board of Directors, subject to Section 2.7.

SECTION 2.13. Headquarters of the Company. As of the Effective Time, the headquarters of the Company shall be the location designated by the Management Committee in accordance with Section 2.4(a).

ARTICLE 3
ANTI-DILUTIVE RIGHTS

SECTION 3.1. Anti-dilutive Rights. (a) Except as provided in Section 3.1(c) below, the Company shall not issue, sell or transfer any Equity Securities to any Person unless the Investor is offered in writing the right to purchase, at the same price and on the same terms proposed to be issued and sold, an amount of such Equity Securities (the "Maintenance Securities") as is necessary for the Investor Group to maintain the Investor Group Interest as it existed immediately prior to such issuance (the "Anti-dilutive Rights"). The Investor shall have the right, during the period specified in Section 3.1(b) to accept the offer for any or all of the Maintenance Securities.

(b) If the Investor does not deliver to the Company written notice of acceptance of any offer made pursuant to Section 3.1(a) within 20 Business Days after the Investor's receipt of such offer, the Investor shall be deemed to have waived its right to purchase all or any part of its Maintenance Securities as set forth in such offer but the Investor shall

retain its rights under this Article with respect to future offers.

(c) The Anti-dilutive Rights set forth above shall not apply to (i) the grant or exercise of options to purchase Common Stock or the issuance of shares of Common Stock to employees of the Company or any of its Subsidiaries (other than employees who are also employees of a stockholder, their Affiliates or any subsidiary of a stockholder) or otherwise pursuant to a stock option or similar plan in existence on the date hereof or otherwise adopted by the Board of Directors hereafter, (ii) the issuance of Warrant Shares, or of shares of Common Stock issuable upon exercise of any option, warrant, convertible security or other rights to purchase or subscribe for Common Stock which, in each case, had been issued in compliance with Section 3.1(a) or Section 3.1(c)(i), (iii) securities issued pursuant to any stock split, stock dividend or other similar stock recapitalization, or (iv) shares of Common Stock issued pursuant to any Public Offering, provided that the action referred to in clause (i), (iii) or (iv) of this Section 3.1(c) as the case may be, shall have been approved (to the extent required) in accordance with the provisions of this Agreement.

(d) A closing for the purchase of Maintenance Securities pursuant to this Section 3.1(d) shall occur on the later of (i) the date on which such public or private issuance occurs and (ii) such date as may be agreed to by the Investor and the Company, at a time and place specified by the Investor in a notice provided to the Company at least ten (10) days prior to such specified closing date. In connection with such closing, the Company and the Investor shall provide such customary closing certificates and opinions as the Investor or the Company, as appropriate, shall reasonably request.

ARTICLE 4
ACQUISITIONS OF ADDITIONAL EQUITY SECURITIES

SECTION 4.1. Limitation on Additional Acquisitions. (a) From the Effectiveness of this Agreement until the first anniversary thereof, the Investor shall not, and shall use its best efforts to cause each member of the Investor Group not to, directly or indirectly, purchase or otherwise acquire any Equity Securities of the Company if, after giving effect thereto, the Investor Group Interest would exceed 49.99%. Notwithstanding the foregoing, the Investor Group or one or more members thereof may acquire, directly or indirectly, by purchase or otherwise, Equity Securities resulting in the Investor Group Interest exceeding such limitation in the event (i) any Person or Group makes an Acquisition Proposal (as defined in the Merger Agreement); (ii) Mafco or any Affiliate thereof shall after the Effective Time acquire Equity Securities representing 1% or more of the Total Voting Power; (iii) any Person or Group acquires beneficial ownership of Equity Securities representing 5% or more of Total Voting Power (10% or more in the case of beneficial ownership permitted to be reported on Schedule 13G under the Exchange Act); or (iv) there shall have been a material adverse change in the business, financial condition or operations of the Company for, or which would reasonably be expected to continue for, a sustained period and the Investor shall have determined in good faith that the acquisition of additional Equity Securities is reasonably necessary to protect its investment in the Company.

(b) From the first anniversary of the Effectiveness of this Agreement until the third anniversary of the Effectiveness of this Agreement, the Investor shall not and shall use its best efforts to cause each member of the Investor Group not to, directly or indirectly, purchase or otherwise acquire, or propose or offer to purchase or acquire, any Equity Securities of the Company, whether by tender offer, Market Purchase, privately negotiated purchase, merger or otherwise, except that the Investor Group may acquire Equity Securities to the extent that after giving effect thereto, the Investor Group Interest would not exceed 75%.

(c) Anything to the contrary notwithstanding in Section 4.1(a) or (b), the Investor Group may acquire Equity Securities, notwithstanding the fact that, after giving effect thereto, the Investor Group Interest would exceed 75%, if the Investor Group (or a member or Affiliate thereof, as the case may be) offers, prior to consummating such purchase, to purchase all outstanding Equity Securities and holders of Equity Securities representing more than 50% of the outstanding Equity Securities (excluding any Equity Securities held by the Investor Group) accept such offer and the Investor Group (or a member or Affiliate thereof, as the case may be) consummates such purchase.

ARTICLE 5
TRANSFERS OF EQUITY SECURITIES

SECTION 5.1. Transfers of Equity Securities. The Investor agrees not to sell or otherwise transfer any Equity Securities except pursuant to (x) Section 9.5 hereof and (y) (i) a Public Offering in accordance with Article 6, (ii) Rule 144 or Rule 144A, or (iii) any other transaction in compliance with

the Securities Act, state securities laws and other applicable laws.

ARTICLE 6
REGISTRATION RIGHTS

SECTION 6.1. Demand Registration. (a) From and after the Effectiveness of this Agreement, the Investor may make a written request to the Company for registration under the Securities Act of Registrable Securities subject to the conditions set forth in Section 6.2 and Section 6.3 hereof (a "Demand Registration"). Such request will specify the number of shares of or warrants constituting Registrable Securities proposed to be sold and will also specify the intended method of disposition thereof. Following the Investor's request, the Company will use its best efforts to effect, as expeditiously as possible, the registration under the Securities Act of the Registrable Securities which the Company has been so requested to register by the Investor so as to permit the disposition (in accordance with the intended methods thereof as aforesaid) of such Registrable Securities.

(b) If the Investor so elects, the offering of such Registrable Securities pursuant to such Demand Registration shall be in the form of Public Offering. The Investor shall select the managing underwriters and any additional investment bankers and managers to be used in connection with a Demand Registration pursuant to a Public Offering, provided that such managing underwriters shall be of national standing and any additional investment bankers or managers must be reasonably satisfactory to the Company.

SECTION 6.2. Conditions to Demand Registrations. The obligations of the Company to take the actions contemplated by Section 6.1 with respect to an offering of Registrable Securities shall be subject to the following conditions:

(a) the Registrable Securities requested to be registered shall (unless reduced pursuant to Section 6.5) constitute at least 2% of the equivalent outstanding Equity Securities or at least 5% of the Registrable Securities at such time, whichever amount is smaller;

(b) there shall not have been consummated more than one offering pursuant to a Demand Registration within the preceding 12 month period;

(c)(x) if the Investor Group Interest shall be less than 30% but more than 20%, no more than three other Demand Registrations shall have been effected after the date on which the Investor Group Interest was reduced to less than 30%, (y) if the Investor Group Interest shall be less than 20% but more than 10%, no more than two other Demand Registrations shall have been effected after the date on which the Investor Group Interest was reduced to less than 20% and (z) if the Investor Group Interest shall be less than 10%, no more than one other Demand Registration shall have been effected after the date on which the Investor Group Interest was reduced to less than 10%;

(d) the Investor shall conform to all applicable requirements of the Securities Act and the Exchange Act with respect to the offering and sale of securities and shall advise each underwriter, broker or dealer through which any of the Registrable Securities are offered that the Registrable Securities are part of a distribution that is subject to the prospectus delivery requirements of the Securities Act; and

(e) the Investor shall use all reasonable efforts to effect as wide a distribution of such Registrable Securities as is reasonably practicable, and in no event shall any sale of Registrable Securities be made knowingly to any Person who beneficially owns 5% or more of the Total Voting Power (including such Person's Affiliates and any Person which to the knowledge of the Investor is, or who, after giving effect to such sale, would be part of any 13D Group).

SECTION 6.3. Additional Conditions to Demand Offerings. Notwithstanding the provisions of Sections 6.1 and 6.2, the Company's obligations pursuant to Section 6.1 shall be suspended if (a) the fulfillment of such obligations would require the Company to make a disclosure that would, in the reasonable good faith judgment of the Company's Board of Directors, be materially detrimental to the Company and premature, (b) the Company has filed a Registration Statement with respect to Equity Securities to be distributed in a Public Offering and it is advised by its lead or managing underwriter that an offering by the Investor of the Registrable Securities would materially adversely affect the distribution of such Equity Securities or (c) the fulfillment of such obligations would require the Company to prepare audited financial statements not required to be prepared for the Company to comply with its obligations under the Exchange Act as of any date not coincident with the last day of any fiscal year of the Company. Such obligations of the Company shall be reinstated (x) in the case of clause (a) above, upon the making of such disclosure by

the Company (or, if earlier, when such disclosure would either no longer be necessary for the fulfillment of such obligations or no longer be detrimental), (y) in the case of clause (b) above, upon the conclusion of any period during which the Company would not, pursuant to the terms of its underwriting arrangements, be permitted to sell securities of the Company for its own account and (z) in the case of clause (c) above, as soon as it would no longer be necessary to prepare such financial statements to comply with the Exchange Act.

SECTION 6.4. Piggyback Registration. If the Company proposes to file a Registration Statement under the Securities Act with respect to an offering of any securities of the Company (a) for the Company's own account (other than a Registration Statement on Form S-4 or S-8 (or any substitute form that may be adopted by the SEC) or (b) the account of any Other Holder (other than Mafco or any of its Affiliates), then the Company shall give written notice of such proposed filing to the Investor as soon as practicable (but in no event less than 20 Business Days before the anticipated filing date), and such notice shall offer the Investor the opportunity to register such number of shares of (or Warrants constituting) Registrable Securities as the Investor may request on the same terms and conditions as those applicable to the Securities of the Company or of the Other Holders in the offering (a "Piggyback Registration"). Upon the written request of the Investor made within ten days after the receipt of notice from the Company (which request shall specify the amount and types of Registrable Securities intended to be issued or disposed of), the Company will use its best efforts to effect the registration under the Securities Act of all such Registrable Securities which the Company has been so requested to register by such Investor, to the extent requisite to permit the disposition of such Registrable Securities to be so registered, provided that (i) if such registration involves a Public Offering, the Investor must sell its Registrable Securities to the underwriters on the same terms and conditions as apply to the Company and (ii) if, at any time after giving written notice of its intention to register any securities of the Company pursuant to this Section 6.4 and prior to the effective date of the Registration Statement filed in connection with such registration, the Company shall determine for any reason not to register such securities, the Company shall give written notice to the Investor and, thereupon, shall be relieved of its obligation to register any Registrable Securities in connection with such registration (without prejudice, however, to rights of the Investor under Section 6.1 hereof). No registration effected under this Section 6.4 shall relieve the Company of its obligations to effect any Demand Registration to the extent required by Section 6.1 hereof.

SECTION 6.5. Reduction of Offering. Notwithstanding anything contained herein, if the managing underwriter of an offering described in Section 6.1 or Section 6.4 delivers a written opinion to the Company advising that (a) the size of the offering that the Investor, the Company and any Other Holders intend to make or (b) the combination of securities that the Investor, the Company and such Other Holders intend to include in such offering are such that the success of the offering would be materially and adversely affected, then (A) if the size of the offering is the basis of such underwriter's opinion, the amount of Registrable Securities to be offered for the account of the Investor shall be reduced to the extent necessary to reduce the total amount of securities to be included in such offering to the amount recommended by such managing underwriter, provided that (x) in the case of a Demand Registration, the amount of Registrable Securities to be offered for the account of the Investor shall be reduced only after the amount of securities to be offered for the account of the Company and such Other Holders has been reduced to zero, and (y) in the case of a Piggyback Registration, if securities are being offered for the account of Other Holders, then the proportion by which the amount of such Registrable Securities intended to be offered for the account of the Investor is reduced shall not exceed the proportion by which the amount of such securities intended to be offered for the account of such Other Holders is reduced; and (B) if the combination of securities to be offered is the basis of such underwriter's opinion, (x) the Registrable Securities to be included in such offering shall be reduced as described in clause (A) above (subject to the proviso in clause (A)), and (y) in the case of a Piggyback Registration, if the actions described in sub-clause (x) of this clause (B) would, in the judgment of the managing underwriter, be insufficient substantially to eliminate the adverse effect that inclusion of the Registrable Securities requested to be included would have on such offering, such Registrable Securities will be excluded from such offering.

SECTION 6.6. Filings; Registration Procedures. Whenever the Investor requests that any Registrable Securities be registered pursuant to Section 6.1 hereof, the Company will use its reasonable efforts to effect the registration of such Registrable Securities as promptly as is practicable, and in connection with any such request:

(a) The Company will as expeditiously as possible prepare and file with the SEC a Registration Statement on any form for which the Company then

qualifies and which counsel for the Company shall deem appropriate and available for the sale of the Registrable Securities to be registered thereunder in accordance with the intended method of distribution thereof. A registration will not count as a Demand Registration until a Registration Statement shall have become effective under the Securities Act and remained effective for at least 270 days (or such shorter period in which all Registrable Securities of the Investor included in such registration have actually been sold thereunder), provided that, if after any Registration Statement requested pursuant to Section 6.1 becomes effective, such Registration Statement is interfered with by any stop order, injunction or other order or requirement of the Commission or other governmental agency or court solely due to the actions or omissions to act of the Company, such registration shall not be considered a Demand Registration.

(b) The Company will, if requested, prior to filing such Registration Statement or any amendment or supplement thereto, furnish to the Investor and each applicable managing underwriter, if any, copies thereof, and thereafter furnish to the Investor and each such underwriter such number of copies of such Registration Statement, amendment and supplement thereto (in each case including all exhibits thereto and documents incorporated by reference therein) and the prospectus included in such Registration Statement (including each preliminary prospectus) as the Investor or each such underwriter may reasonably request in order to facilitate the sale of the Registrable Securities.

(c) The Company will use all reasonable efforts to cause the Registerable Securities to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of the Company to enable the Investor to consummate the disposition of such Registrable Securities.

(d) After the filing of the Registration Statement, the Company will (i) prepare and file with the SEC such amendments and post-effective amendments to the registration statement as may be necessary to keep such registration statement effective for a reasonable period not to exceed 270 days; cause the related prospectus to be supplemented by any required prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 under the Securities Act, and (ii) comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement during the applicable period in accordance with the intended methods of disposition by the sellers thereof set forth in such registration statement or supplement to such prospectus and promptly notify the Investor of any stop order issued or, to the Company's knowledge, threatened to be issued by the SEC and take all reasonable actions required to prevent the entry of such stop order or to remove it if entered.

(e) The Company will endeavor to qualify the Registrable Securities for offer and sale under such other securities or blue sky laws of such jurisdictions in the United States as the Investor reasonably requests, provided that the Company will not be required to (i) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 6.6(e), (ii) subject itself to taxation in any such jurisdiction or (iii) consent to general service of process in any such jurisdiction.

(f) The Company will as promptly as is practicable notify the Investor, at any time when a prospectus relating to the sale of the Registrable Securities is required by law to be delivered in connection with sales by an underwriter or dealer, of the occurrence of any event requiring the preparation of a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and promptly make available to the Investor and to the underwriters, if any such supplement or amendment. The Investor agrees that, upon receipt of any notice from the Company of the occurrence of any event of the kind described in the preceding sentence, the Investor will forthwith discontinue the offer and sale of Registrable Securities pursuant to the Registration Statement covering such Registrable Securities until receipt by the Investor and the underwriters, if any, of the copies of such supplemented or amended prospectus and, if so directed by the Company, the Investor will deliver to the Company all copies, other than permanent file copies then in the Investor's possession, of the most recent prospectus covering such Registrable Securities at the time of receipt of such notice. In the event the Company shall give such notice, the Company shall extend the period during which such Registration Statement shall be maintained effective as provided in Section 6.6(a) hereof by the number of days during the period from and including the date of the giving of such notice to the date when the Company shall make available to the Investor such supplemented or amended prospectus.

(g) The Company will enter into customary agreements (including an underwriting agreement in customary form) and take such other actions as are reasonably required in order to expedite or facilitate the sale of the Registrable Securities covered by a Registration Statement in accordance herewith.

(h) The Company shall make available for inspection by the Investor, any underwriter participating in any disposition pursuant to such registration, and any attorney, accountant or other agent retained by the Investor or any such underwriter (collectively, the "Inspectors"), all financial and other records, pertinent corporate documents and properties of the Company (collectively, the "Records") as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the officers, directors and employees of the Company to supply all information reasonably requested by any such Inspector in connection with such registration, provided that (i) records and information obtained hereunder shall be used by such Persons only to exercise their due diligence responsibility and (ii) records or information which the Company determines, in good faith, to be confidential shall not be disclosed by the Inspectors unless (x) the disclosure of such Records or information is necessary to avoid or correct a misstatement or omission in the Registration Statement or (y) the release of such Records or information is ordered pursuant to a subpoena or other order from a court or governmental authority of competent jurisdiction. The Investor shall use reasonable efforts, prior to any such disclosure, to inform the Company that such disclosure is necessary to avoid or correct a misstatement or omission in the Registration Statement. The Investor further agrees that it will, upon learning that disclosure of such Records or information is sought in a court or governmental authority, give notice to the Company and allow the Company, at the expense of the Company, to undertake appropriate action to prevent disclosure of the Records or information deemed confidential; the Investor agrees that information obtained by it as a result of such inspections shall be deemed confidential and shall not be used by it as the basis for any market transactions in the securities of the Company or its Affiliates unless and until such information is made generally available to the public.

(i) The Company will furnish to the Investor and to each underwriter, if any, a signed counterpart, addressed to the Investor or such underwriter, if any, of (i) an opinion or opinions of counsel to the Company and (ii) a comfort letter or comfort letters from the Company's independent public accountants, each in customary form and covering such matters of the type customarily covered by opinions or comfort letters, as the case may be, as the Investor or the managing underwriter reasonably requests.

(j) The Company will make generally available to its security holders, as soon as reasonably practicable, an earnings statement covering a period of 12 months, beginning within three months after the effective date of the Registration Statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act.

(k) The Company will use its reasonable efforts to cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Company are then listed.

(l) The Company may require the Investor promptly to furnish in writing to the Company such information regarding the Investor, the plan of distribution of the Registrable Securities and other information as the Company may from time to time reasonably request or as may be legally required in connection with such registration.

SECTION 6.7. Registration Expenses. In connection with any Demand Registration or any Piggyback Registration, the Company shall pay the Registration Expenses.

SECTION 6.8. Indemnification by the Company. The Company agrees to indemnify, to the fullest extent permitted by law, the Investor and directors, officers and controlling Persons of the Investor (within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act) against any and all losses, claims, damages, liabilities and expenses (including attorneys' fees) caused by any untrue or alleged untrue statement of material fact contained in any Registration Statement or prospectus (each as amended and or supplemented, if the Company shall have furnished any amendments or supplements thereto) or preliminary prospectus relating to the Registrable Securities, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a prospectus, in the light of the circumstances under which they were made) not misleading, provided that the Company shall not be required to indemnify the Investor or the officers, directors or controlling Persons of the Investor for any losses, claims, damages, liabilities or expenses resulting from any such untrue statement or omission if such untrue

statement or omission is made in reliance on and conformity with any information with respect to the Investor furnished to the Company by the Investor expressly for use therein, and further provided that the foregoing indemnity agreement with respect to any preliminary prospectus shall not inure to the benefit of the Investor if a copy of the most current at the time of the delivery of the Registrable Securities prospectus was not provided to purchaser and such current prospectus would have cured the defect giving rise to such loss, claim, damage or liability. In connection with an underwritten offering, the Company will indemnify any underwriter thereof, the officers and directors of such underwriter, and each Person who controls such underwriter (within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act) to the same extent as provided above with respect to the indemnification of the Investor, provided that such underwriter agrees to indemnify the Company to the same extent as provided below with respect to the indemnification of the Company by the Investor.

SECTION 6.9. Indemnification by the Investor. In connection with any registration in which the Investor is participating, the Investor will furnish to the Company in writing such information and affidavits with respect to the Investor as the Company reasonably requests for use in connection with any such registration, prospectus, or preliminary prospectus and agrees to indemnify the Company, its directors, its officers who sign the Registration Statement and each Person, if any, who controls the Company (within the meaning of either Section 15 of the Securities Act or of Section 20 of the Exchange Act) to the same extent as the foregoing indemnity from the Company to the Investor, but only with respect to information relating to the Investor furnished to the Company in writing by the Investor expressly for use in the Registration Statement, the prospectus, any amendment or supplement thereto, or any preliminary prospectus.

SECTION 6.10. Conduct of Indemnification Proceedings. In case any proceeding (including any governmental investigation) shall be instituted involving any Person in respect of which indemnity may be sought pursuant to Section 6.8 or Section 6.9, such Person (the "Indemnified Party") shall promptly notify the Person against whom such indemnity may be sought (the "Indemnifying Party") in writing and the Indemnifying Party, upon request of the Indemnified Party, shall retain counsel reasonably satisfactory to the Indemnified Party to represent the Indemnified Party and any others the Indemnifying Party may designate in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the Indemnifying Party and the Indemnified Party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the Indemnifying Party and the Indemnified Party and the Indemnified Party shall have been advised by counsel that representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the Indemnifying Party shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) at any time for all such Indemnified Parties, and that all such fees and expenses shall be reimbursed as they are incurred. In the case of any such separate firm for the Indemnified Parties, such firm shall be designated in writing by the Indemnified Parties. The Indemnifying Party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Indemnifying Party agrees to indemnify the Indemnified Party from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an Indemnified Party shall have requested an Indemnifying Party to reimburse the Indemnified Party for fees and expenses of counsel as contemplated by the third sentence of this Section 6.10, the Indemnifying Party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (A) such settlement is entered into more than 30 days after receipt by such Indemnifying Party of the aforesaid request and (B) such Indemnifying Party shall not have reimbursed the Indemnified Party in accordance with such request or reasonably objected in writing, on the basis of the standards set forth herein, to the propriety of such reimbursement prior to the date of such settlement. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such proceeding.

SECTION 6.11. Contribution. (a) If the indemnification provided for in this Article from the Indemnifying Party is unavailable to an

Indemnified Party hereunder in respect of any losses, claims, damages, liabilities or expenses referred to in this Article , then the Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages, liabilities or expenses (i) in such proportion as is appropriate to reflect the relative benefits received by the Company, the Investor and the underwriters from the offering of the securities, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) but also the relative fault of the Company, the Investor and the underwriters in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company, the Investor and the underwriters shall be deemed to be in the same respective proportions as the total proceeds from the offering (net of underwriting discounts and commissions but before deducting expenses) received by each of the Company and the Investor Group and the total underwriting discounts and commissions received by the underwriters, in each case as set forth in the table on the cover of the prospectus, bear to the aggregate public offering price of the securities. The relative fault of the Company, the Investor and the underwriters shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been made by, or relates to information supplied by, each such party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action. The amount paid or payable by a party as a result of the losses, claims, damages, liabilities and expenses referred to above shall be deemed to include, subject to the limitations set forth in Section 6.10, any legal or other fees or expenses reasonably incurred by such party in connection with any investigation or proceeding.

(b) The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 6.11 were determined by pro rata allocation (even if the underwriters were treated as one entity for such purpose or by any other method of allocation which does not take into account the equitable considerations referred to in the immediately preceding Section 6.11(a). Notwithstanding the provisions of this Article , no underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Equity Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission, and the Investor shall not be required to contribute any amount in excess of the amount by which the net proceeds of the offering (before deducting expenses) received by the Investor Group exceeds the amount of any damages which the Investor has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

(c) If indemnification is available under this Article , the Indemnifying Party shall indemnify each Indemnified Party to the full extent provided in Sections 6.8 and 6.9 without regard to the relative fault of said Indemnifying Party or Indemnified Party or any other equitable consideration provided for in this Section 6.11.

ARTICLE 7
FURNISHING OF INFORMATION

SECTION 7.1. Furnishing of Information. (a) The Company will furnish or make available to the Investor any documents filed by the Company pursuant to each of Section 13, 14 and 15(d) of the Exchange Act (or successor provisions) and all annual, quarterly or other reports furnished to the Company's public security holders and all such other information concerning the Company and its Subsidiaries as the Investor may reasonably request.

(b) From and after the Effectiveness of this Agreement, the Company shall furnish to the Investor:

(i) within 60 days after the end of each fiscal year, its consolidated balance sheet and related statements of income and changes in financial position, showing the financial condition of the Company and its consolidated Subsidiaries as of the close of such fiscal year and the results of its operations and the operations of such Subsidiaries during such year, all audited by the Company's independent public accountants of recognized international standing and accompanied by an opinion of such accountants (which shall not be qualified in any

material respect) to the effect that such consolidated financial statements fairly present the financial condition and results of operations of the Company on a consolidated basis in accordance with GAAP consistently applied; and

(ii) within 30 days after the end of each of the first three fiscal quarters of each fiscal year, its consolidated balance sheet and related statements of income and changes in financial position, showing the financial condition of the Company and its consolidated Subsidiaries as of the close of such fiscal quarter and the results of its operations and the operations of such Subsidiaries during such fiscal quarter and the then elapsed portion of the fiscal year, all certified by one of the senior financial officers as fairly presenting the financial condition and results of operations of the Company on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments.

(c) At the request of the Investor, at such time as the Investor is required to include the financial results of the Company in the Investor's financial statements, the Company shall cooperate with and assist the Investor in the translation of the financial statements referred to in Subsection (a) above in order to conform such financial statements to international accounting standards.

(d) The Company shall deliver to the Investor, within a reasonable period of time after receipt of a request from the Investor, the statement required by Treasury Department Regulation Section 1.897-2(h)(1) (relating to the Company's and each of its Subsidiaries' status as a United States Real Property Holding Corporation) without regard to whether the Company's Equity Securities are publicly traded at the time such statement is requested.

ARTICLE 8
COVENANTS

SECTION 8.1. Rule 144 and Rule 144A. (a) The Company covenants that it will file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the SEC thereunder, and it will take such further action as the Investor may reasonably request, all to the extent required from time to time to enable the Investor to sell Shares without registration under the Securities Act within the limitation of the exemptions provided by (i) Rule 144 under the Securities Act, as such Rule may be amended from time to time, or (ii) any similar rule or regulation hereafter adopted by the SEC. Upon the request of the Investor, the Company will deliver to the Investor a written statement as to whether it has complied with such reporting requirements.

(b) If the Investor desires to transfer any of its securities of the Company pursuant to Rule 144A, the Company will promptly, upon request by the Investor, use its best efforts to facilitate the consummation of such Rule 144A transaction in accordance with the requirements of such Rule and with such request and shall take all necessary or appropriate actions in connection therewith, including but not limited to (i) preparing of an offering memorandum with respect to such transaction containing information customarily included in connection with Rule 144A transactions of the type contemplated by the request, (ii) taking the actions, to the extent requested by the Investor, referred to in Section 6.6(e), (h) and (i) and (iii) conducting "road show" presentations as reasonably requested by such Investor. Notwithstanding the previous sentence, if the Investor Group Interest shall be less than 30%, the Company will only be required to facilitate the consummation of such Rule 144A transaction as follows: (x) if the Investor Group Interest shall be less than 30% but more than 20%, no more than three other Rule 144A transactions shall have been effected after the date on which the Investor Group Interest was reduced to less than 30%, (y) if the Investor Group Interest shall be less than 20% but more than 10%, no more than two other Rule 144A transactions shall have been effected after the date on which the Investor Group Interest was reduced to less than 20% and (z) if the Investor Group Interest shall be less than 10%, no more than one other Rule 144A transaction shall have been effected after the date on which the Investor Group Interest was reduced to less than 10%. The Company shall pay all expenses in connection with any Rule 144A transaction pursuant hereto to the same extent the Company would be obligated to pay Registration Expenses in connection with a Demand or Piggyback Registration pursuant to Section 6.7.

SECTION 8.2. No Inconsistent Agreements. The Company is not bound by any agreement and will not hereafter enter into any agreement, with respect to its securities which conflicts or is inconsistent with the rights granted to the Investor, the Investor Group or Investor Directors.

ARTICLE 9

MISCELLANEOUS

SECTION 9.1. Notices. All notices, requests and other communications to any party hereunder shall be in writing (including by telecopy or similar writing) and shall be given:

if to the Investor, to: HLR Holdings Inc.
1403 Foulk Road
Suite 102
P.O. Box 8985
Wilmington, Delaware 19899
Attention: William D. Johnston
Telecopy: (302) 571-1253

Roche Holdings, Inc.
c/o Peter Schiller
Hoffstots Lane
Sands Point, NY 11050
Telecopy: (516) 944-9730

if to the Roche Holder, to:Hoffmann-La Roche Inc.
340 Kingsland Street
Nutley, New Jersey 07110
Attention: General Counsel
Telecopy: (201) 235-2800

if to the Company, to: National Health Laboratories Holdings Inc.
(to be renamed Laboratory Corportion
of America Holdings)
358 South Main Street
Burlington, North Carolina 27215
Attention: General Counsel

in each case,
with a copy to: Davis Polk & Wardwell
450 Lexington Avenue
New York, New York 10017
Attention: Peter R. Douglas, Esq.
Telecopy: (212) 450-4800

if to Directors, to their respective business addresses with a copy to the Investor and to the Company,

or such other address or telecopy number as such party may hereafter specify for the purpose by notice to each the other party hereto. Each such notice, request or other communication shall be effective (a) if given by telecopy, when such telecopy is transmitted to the telecopy number specified in this Section and the appropriate confirmation is received or (b) if given by any other means, when delivered at the address specified in this Section.

SECTION 9.2. Amendments; Waivers. (a) Any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by the Investor and the Company, or in the case of a waiver, by the party against whom the waiver is to be effective, provided that no such amendment or waiver by the Company shall be effective without the approval of a majority of the Independent Directors.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 9.3. Severability. If any provision of this Agreement or the application thereof to either party or set of circumstances shall, in any jurisdiction and to any extent, be finally held invalid or unenforceable, such term or provision shall only be ineffective as to such jurisdiction, and only to the extent of such invalidity or unenforceability, without invalidating or rendering unenforceable any other terms or provisions of this Agreement or under any other circumstances, and the parties shall negotiate in good faith a substitute provision which comes as close as possible to the invalidated or unenforceable term or provision, and which puts each party in a position as nearly comparable as possible to the position it would have been in but for the finding of invalidity or unenforceability, while remaining valid and enforceable.

SECTION 9.4. Entire Agreement. The Merger Agreement, this Agreement, and the agreements contemplated hereby and thereby constitute the

entire agreement among the parties hereto with respect to the subject matter hereof and thereof and supersede all prior agreements and undertakings, both written and oral, between the parties with respect to the subject matter hereof.

SECTION 9.5. Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, provided that no party may assign, delegate or otherwise transfer all or any of its rights or obligations under this Agreement without the consent of the other party hereto, except that the Investor may assign, delegate or otherwise transfer all or any of its rights or obligations under this Agreement to any other member of the Investor Group without the consent of the Company, provided that such member agrees in writing to be bound by the provisions hereof. The Investor shall cause any Person who shall have acquired 30% of the Total Voting Power from the Investor to agree in writing to assume the obligations of the Investor hereunder and to be bound by the provisions hereof whereupon such Person shall become entitled to all of the rights and benefits accruing to the Investor hereunder.

SECTION 9.6. Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party hereto and each Person who becomes a party hereto or bound by the terms of this Agreement, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person, other than the parties hereto and their respective permitted successors and assigns, any right, benefit or remedy of any nature or kind whatsoever under or by reason of this Agreement.

SECTION 9.7. Counterparts; Effectiveness. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective upon the Effectiveness of this Agreement.

SECTION 9.8. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware applicable to contracts executed and to be fully performed in that State. All actions and proceedings arising out of or relating to this Agreement shall be brought by the parties and heard and determined only in a Delaware state court or a federal court sitting in that State and the parties hereto consent to jurisdiction before and waive any objections of venue to the Delaware Chancery Court.

SECTION 9.9. Specific Performance. The Company and the Investor each acknowledge and agree that the Investor's and the Company's respective remedies at law for a breach or threatened breach of any of the provisions of this Agreement would be inadequate and, in recognition of that fact, each agrees that, in the event of a breach or threatened breach by the Company or the Investor of the provisions of this Agreement, in addition to any remedies at law, the Investor and the Company, respectively, without posting any bond shall be entitled to obtain equitable relief in the form of specific performance, a temporary restraining order, a temporary or permanent injunction or any other equitable remedy which may then be available.

SECTION 9.10. Termination. Except as provided below, the provisions of this Agreement shall terminate if the Investor Group Interest shall be less than 30%, provided, however, that (x) the provisions of Sections 2.1(a), 2.1(d), 2.1(f) (insofar as it relates to the replacement of an Investor Director), 2.1(g), 2.2, 2.3(b), 2.3(c), 2.6 (insofar as it relates to the replacement of an Investor Director) and 2.9 (insofar as the first sentence thereof) shall not terminate unless the Investor Group Interest shall be less than 10%, (y) the provisions of Articles 6 and 8 shall not terminate until such time as the Investor Group does not own any Registrable Securities (except for Section 6.4, which shall terminate if the Investor Group Interest shall be less than 20%) and (z) Article 7 shall not terminate unless the Investor Group Interest shall be less than 20%. Article 1 and Article 9 shall not terminate unless as set forth above all other provisions of this Agreement shall have terminated. In the event that the Investor Group Interest shall be greater than 50%, then the provisions of Article 2 shall terminate but shall be reinstated, at the request of the Investor, if the Investor Group Interest shall later be 50% or lower.

SECTION 9.11. Waiver of Jury Trial. Each of the parties hereto hereby irrevocably waives all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or the actions of any of them in the negotiation, administration, performance and enforcement thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and

year first above written.

HLR HOLDINGS INC.

By: /s/ Bradford T. Smith

Name: Bradford T. Smith
Title: Assistant Secretary

ROCHE HOLDINGS, INC.

By: /s/ Henri B. Meier

Name: Henri B. Meier
Title: Vice President & Treasurer

HOFFMANN-LA ROCHE INC.

By: /s/ Thomas P. MacMahon

Name: Thomas P. MacMahon
Title: Senior Vice President

NATIONAL HEALTH LABORATORIES HOLDINGS INC.

By: /s/ James R. Maher

Name: James R. Maher
Title: President & Chief Executive Officer

Exhibit 4
CONFORMED COPY

SHARING AND CALL OPTION AGREEMENT

dated as of

December 13, 1994

among

HLR Holdings Inc.,

Mafco Holdings Inc.

and

National Health Care Group, Inc.

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SHARING AND CALL OPTION AGREEMENT

SHARING AND CALL OPTION AGREEMENT, dated as of December 13, 1994 among HLR Holdings Inc., a Delaware corporation ("HLR") and parent of Roche Biomedical Laboratories, Inc., a New Jersey corporation ("RBL"), Mafco Holdings Inc., a Delaware corporation ("Mafco"), and National Health Care Group, Inc., a Delaware corporation (the "Stockholder") and an indirect wholly-owned subsidiary of Mafco and, solely with respect to Section 8.1 hereof, National Health Laboratories Holdings Inc., a Delaware corporation (the "Company").

WHEREAS, HLR, RBL, the Company and Hoffmann-La Roche Inc., a New Jersey Corporation propose to enter into an Agreement and Plan of Merger of even date herewith (the "Merger Agreement") providing for the merger of RBL into and with the Company as the surviving corporation (the "Merger"); and

WHEREAS, Stockholder owns approximately 23.8%of the issued and outstanding shares of the Company's common stock, $.01 par value, per share (the "Common Stock"); and

WHEREAS, in connection with entering into the Merger Agreement, HLR, Mafco and Stockholder desire to enter into this Agreement setting forth certain rights and obligations of the parties with respect to Stockholder's investment in the Company;

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

ARTICLE 1
DEFINITIONS

SECTION 1.1. Certain Definitions. Capitalized terms used and not defined herein have the meanings assigned to them in the Merger Agreement. The following terms, as used herein, have the following meanings:

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person, provided that no stockholder of the Company shall be deemed an Affiliate of any other stockholder solely by reason of any investment in the Company. For the purpose of this definition, the term "control" (including with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or by contract or otherwise.

"Board" means the board of directors of the Company.

"Business Day" means any day except a Saturday, Sunday or other day on which commercial banking institutions in New York City are authorized by law or executive order to close.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"NASD" means the National Association of Securities Dealers, Inc.

"NASDAQ" means the NASD Automated Quotation System.

"NASDAQ/NMS" means the NASDAQ-National Market System.

"Person" means an individual, corporation, partnership, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations thereunder.

SECTION 1.2. Expenses. All costs and expenses incurred in connection with this Agreement shall be paid by the party incurring such cost or expense.

ARTICLE 2
SHARING PAYMENTS

SECTION 2.1. Sharing Payments to HLR. (a) In the event that a termination fee shall have become payable by the Company to HLR pursuant to Section 11.4(b) of the Merger Agreement and Stockholder sells, transfers, assigns or otherwise disposes of (including by conversion or exchange in a merger, exchange offer or the like) (any such action being a "transfer") any of the Stockholder Shares (as defined in Section 2.1(d), Stockholder and Mafco, jointly and severally, agree to pay to HLR an amount in cash (a "Sharing Payment") equal to the product of (i) the number of Stockholder Shares transferred by Stockholder or any of the controlled Affiliates of Mafco and (ii) 50% of the excess, if any, of (A) the per share cash consideration or the per share fair market value, as the case may be, of any non-cash consideration received by Stockholder and each such controlled Affiliate as a result of such transfer over (B) $20.00 (as adjusted to give effect to any stock dividend, stock split, recapitalization, combination or exchange of shares, merger, consolidation, reorganization or other similar change or transaction by the Company).

(b) For purposes of this Section 2.1, the fair market value of any non-cash consideration:

(i) consisting of securities listed on a national securities exchange or traded on the NASDAQ/NMS shall be equal to the average closing price per share of such security as reported on such exchange or NASDAQ/NMS for the five trading days before the date of disposition by Stockholder; and

(ii) consisting of consideration which is other than cash or securities of the type specified in clause (i) of this Section 2.1, shall be determined by a nationally recognized independent investment banking firm (which firm shall be mutually agreed upon by the parties) within 10 Business Days of the selection of such investment banking firm; provided, however, that if the parties are unable to agree within two Business Days after the date of disposition as to the investment banking firm, then Morgan Stanley & Co. Incorporated and CS First Boston Corporation shall jointly name a third investment banking firm; provided further, that the fees and expenses of such investment banking firm shall be borne equally by HLR, on the one hand, and Stockholder, on the other hand. The determination of the investment banking firm shall be binding upon the parties.

(c) Any Sharing Payment required to be made pursuant to this Section 2.1 shall be made two Business Days after the later of (i) the fifth trading day after settlement of any disposition of any securities referred to in subsection (b)(i) above for cash or (ii) the date on which the investment banking firm delivers to the parties its determination of the per share value of any non-cash consideration referred to in subsection (b)(ii) above received pursuant to any disposition, as applicable.

(d) The term "Stockholder Shares" as used herein means (i) 20,176,729 shares of Common Stock which are all of the voting securities of the Company presently beneficially owned or owned of record by Stockholder, Mafco and their respective controlled Affiliates and (ii) any additional shares of Common Stock or rights to acquire voting securities of the Company acquired by Stockholder, Mafco or any of their respective controlled Affiliates (whether by purchase or otherwise) from and after the date of this Agreement.

ARTICLE 3
VOTING OF STOCKHOLDER SHARES FOR THE MERGER

SECTION 3.1. No Sale of Stockholder Shares Prior to Effective Time. Stockholder shall not transfer any Stockholder Shares prior to the Effective Time except if a termination fee shall have become payable by the Company to HLR pursuant to Section 11.4(b) of the Merger Agreement.

SECTION 3.2. Voting of Stockholder Shares. Stockholder shall be, and Stockholder and Mafco shall cause their controlled Affiliates which hold Common Stock to be, present in person or by proxy at the NHL Stockholder Meeting for the purpose of voting on the adoption of the Merger Agreement, and Stockholder and Mafco shall cause all of the Stockholder Shares to be voted in

favor of the Merger and adoption of the Merger Agreement.

ARTICLE 4
CALL RIGHTS

SECTION 4.1. Call Right with Respect to Stockholder Shares. (a) At any time after the third anniversary of the date on which the Effective Time occurs, HLR or an Affiliate of HLR (or if such purchase is not permitted pursuant to applicable law or by any material agreement to which HLR or such Affiliate is bound, a third party nominated by HLR) (any such party being a "Purchaser") may exercise the right (the "Call Right"), which right may only be exercised once, to purchase all, but not less than all, the shares of Common Stock then owned by Stockholder, Mafco or any of their controlled Affiliates. If Purchaser intends to exercise the Call Right, then, not less than 20 Business Days prior to the exercise thereof, Purchaser shall so notify Stockholder of such intention to exercise the Call Right, specifying in such notice (the "Call Notice") the date of such exercise (the "Exercise Date").

(b) On the Call Closing Date (as defined in Section 4.2), Purchaser shall pay a price per share for the shares to be purchased as specified in the Call Notice, equal to 102% of the average closing price per share of such security as reported on the principal national securities exchange on which such shares are listed, or if not so listed, as reported on NASDAQ/NMS, for the 30 trading days before the Exercise Date.

SECTION 4.2. Closing with Respect to Exercise of Call Right. The closing (the "Call Closing") of the call transaction shall take place at such place as may be agreed upon by the parties and on such date as may be set forth in a written notice from Purchaser to Stockholder (the "Call Closing Date"), but in no event more than 5 Business Days after the later of (i) the Exercise Date, and (ii) expiration of any applicable HSR Act waiting period or the satisfaction of any required regulatory approval. At the Call Closing, Stockholder, Mafco, or any of their controlled Affiliates, as the case may be, will convey good, marketable and valid title to the shares being purchased free and clear of any and all claims, liens, charges, encumbrances and security interests. The parties agree to take all actions as may be reasonably required to effect the Call Closing as promptly as practicable.

SECTION 4.3. No Sale After Call Notice. From and after the receipt of a Call Notice, neither Stockholder, Mafco nor any of their controlled Affiliates shall transfer any shares of Common Stock that are owned by Stockholder, Mafco or any such controlled Affiliate except during any period expiring 15 Business Days prior to the Exercise Date.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF STOCKHOLDER

Stockholder and Mafco, jointly and severally, represent and warrant to HLR that:

SECTION 5.1. Valid Title. Stockholder is the sole, true, lawful and beneficial and record owner of the Stockholder Shares with no restrictions on Stockholder's voting rights or rights of disposition pertaining thereto other than those arising pursuant to bona fide pledge arrangements. None of the Stockholder Shares is subject to any voting trust or other agreement (other than this Agreement) or arrangement with respect to the voting of such Stockholder Shares other than those arising from bona fide pledge arrangements.

SECTION 5.2. Authority; Binding Effect. Stockholder and Mafco have all requisite power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance by Stockholder and Mafco of this Agreement and the consummation by Stockholder and Mafco of the transactions contemplated hereby have been duly authorized by all necessary corporate action by Stockholder and Mafco. This Agreement has been duly executed and delivered by Stockholder and Mafco and constitutes a valid and binding agreement of Stockholder and Mafco.

SECTION 5.3. Governmental Authorization. The execution, delivery and performance by Stockholder and Mafco of this Agreement and the consummation by Stockholder and Mafco of the transactions contemplated hereby require no action by, or filing with, any governmental body, agency, official or authority, other than compliance with any applicable requirements of the HSR Act.

SECTION 5.4. Non-Contravention. The execution, delivery and performance of this Agreement by Stockholder and Mafco do not, and the consummation by Stockholder and Mafco of the transactions contemplated hereby do not and will not, (i) contravene or conflict with the certificate of

incorporation or the bylaws of Stockholder and Mafco, (ii) assuming compliance with the HSR Act, contravene or conflict with or constitute a violation of any provision of any law, regulation, judgment, injunction, order or decree binding upon or applicable to Stockholder and Mafco, (iii) constitute a default under or give rise to a right of termination, cancellation or acceleration of any right or obligation of Stockholder and Mafco or to a loss of any benefit to which Stockholder and Mafco are entitled under any provision of any agreement, contract or other instrument binding upon Stockholder or Mafco or any license, franchise, permit or other similar authorization held by Stockholder or Mafco or (iv) result in the creation or imposition of any lien on any asset of Stockholder or Mafco. Notwithstanding anything to the contrary in this Section 5.4, it is understood that the Stockholder Shares are subject to bona fide pledge arrangements, but that Stockholder and Mafco will take all actions necessary to enable Stockholder to comply with Section 3.2 and Article 4 hereof.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF HLR

HLR represents and warrants to Stockholder:

SECTION 6.1. Corporate Power and Authority. HLR has all requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution, delivery and performance by HLR of this Agreement and the consummation by HLR of the transactions contemplated hereby have been duly authorized by all necessary action, if any, of HLR. This Agreement has been duly executed and delivered by HLR and constitutes a valid and binding agreement of HLR.

SECTION 6.2. Acquisition for HLR's Account. Any shares of Common Stock to be acquired pursuant to the Call Rights set forth in Article will be acquired by HLR for its own account and not with a view to the public distribution thereof and will not be transferred except in compliance with the Securities Act. If required by applicable law, in the written opinion of outside legal counsel to the Company (which opinion shall be) satisfactory to HLR, any shares of Common Stock transferred hereunder may bear a legend providing that such shares of Common Stock may only be sold or otherwise disposed of in accordance with such Act.

ARTICLE 7
COVENANTS OF STOCKHOLDER

SECTION 7.1. No Solicitation; No Shopping. Stockholder and Mafco shall comply with, and be bound by, the restrictions set forth in Section 5.4(a) of the Merger Agreement as if such restrictions were fully set forth in this Agreement.

SECTION 7.2. Further Action. Stockholder and Mafco will take all actions necessary to enable each of them and their Affiliates to comply with Section 3.2 and Article 4 hereof.

ARTICLE 8
MISCELLANEOUS

SECTION 8.1. Registration Provisions. The Company shall use its best efforts to cause the Registration Statement (as defined in the Merger Agreement) to include a resale prospectus that would permit Stockholder (or any pledgee of the Merger Shares under a bona fide pledge arrangement with Stockholder) to sell shares of Common Stock received by Stockholder in the Merger (the "Merger Shares") without restriction and, after the filing of the Registration Statement, shall use its best efforts to prepare and file with the SEC such amendments and post-effective amendments to the Registration Statement as may be necessary to keep such Registration Statement continuously effective for a period ending on the third anniversary of the date hereof and during such period shall use its best efforts to cause the resale prospectus to be supplemented by any required prospectus supplement. In addition, the registration procedures set forth in Sections 6.6 through 6.11 as set forth in the form of the Stockholder Agreement between HLR Holdings Inc. and the Company attached as an Exhibit to the Merger Agreement (the "Stockholder Agreement") (including, without limitation, the provisions with respect to filings, blue sky qualification, amendments, due diligence, indemnification and contribution) for the benefit of Investor (as defined therein) shall be deemed incorporated herein, as applicable, for the benefit of Stockholder as if fully set forth in this place (with all references to the "Investor" therein being deemed to be references to Stockholder or the pledgee of any Merger Shares referred to above, as the case may be) and in connection with the registration referred to above, the Company shall pay the applicable Registration Expenses (as defined in the Stockholder Agreement).

SECTION 8.2. Additional Agreements. Subject to the terms and conditions of this Agreement, each of the parties hereto agrees to use all reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations and which may be required under any agreements, contracts, commitments, instruments, understandings, arrangements or restrictions of any kind to which such party is a party or by which such party is governed or bound, to enable HLR to exercise and enjoy all the benefits and rights associated with the Call Option and the Sharing Payment and otherwise to consummate and make effective the transactions contemplated by this Agreement, to obtain all necessary waivers, consents and approvals and effect all necessary registrations and filings, including, but not limited to, filings under the HSR Act, responses to requests for additional information related to such filings, and submission of information requested by governmental authorities, and to rectify any event or circumstances which could impede consummation of the transactions contemplated hereby.

SECTION 8.3. Specific Performance. (a) The parties hereto agree that HLR would be irreparably damaged if for any reason Stockholder, Mafco or their Affiliates, as the case may be, failed to sell the shares of Common Stock upon exercise of the Call Option, or to perform any of its other obligations under this Agreement, and that HLR would not have an adequate remedy at law for money damages in such event. Accordingly, HLR shall be entitled to specific performance and injunctive and other equitable relief to enforce the performance of this Agreement by Stockholder and Mafco. This provision is without prejudice to any other rights that HLR may have against Stockholder or Mafco for any failure to perform their respective obligations under this Agreement.

(b) The parties hereto also agree that Stockholder would be irreparably damaged if for any reason the Company failed to perform in full its obligations as set forth in Section 8.1 hereof, and that Stockholder would not have any adequate remedy at law or for money damages in such event. Accordingly, Stockholder shall be entitled to specific performance and injunctive and other equitable relief to enforce the performance of this Agreement by the Company. This provision is without prejudice to any other rights that Stockholder may have against the Company for any failure to perform its obligations under this Agreement.

SECTION 8.4. Notices. All notices, requests, claims, demands and other communications hereunder shall be deemed to have been duly given when delivered in Person, by cable, telegram or telex, or by registered or certified mail (postage prepaid, return receipt requested) to such party at its address set forth on the signature page hereto.

SECTION 8.5. Amendments; Termination. This Agreement may not be modified, amended, altered or supplemented, except upon the execution and delivery of a written agreement executed by the parties hereto. This Agreement shall terminate upon the earliest to occur of (i) the date on which Stockholder, Mafco and their Affiliates own no shares of Common Stock except with respect to the obligation to make any Sharing Payment which has become due as a result of any transfer of shares of Common Stock (provided that such shares have not been transferred in violation of this Agreement) or (ii) the effective date of any termination of the Merger Agreement pursuant to Section 10.1(a), (b), (c), (e), or (g) thereof. Article of this Agreement shall terminate when Stockholder, Mafco and their respective controlled Affiliates shall own no shares of Common Stock that are subject to the registration requirements of the Securities Act. Article of this Agreement shall terminate 180 days after the effective date of any termination of the Merger Agreement pursuant to Section 10.1(d) or (f) thereof except with respect to the obligation to make any Sharing Payment which has become due as a result of any transfer of shares of Common Stock.

SECTION 8.6. Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided that no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of the other parties hereto, except that HLR may assign its rights and obligations hereunder to any Affiliate of HLR or pursuant to Article 4 to a third party. Any Affiliate of Stockholder or Mafco who acquires shares of Common Stock shall become a party to and be bound by this Agreement.

SECTION 8.7. Governing Law. This Agreement shall be construed in accordance with and governed by the law of Delaware without giving effect to the principles of conflicts of laws thereof.

SECTION 8.8. Counterparts; Effectiveness. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same

instrument. This Agreement shall become effective when each party hereto shall have received counterparts hereof signed by all of the other parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

HLR HOLDINGS INC.

/s/ Bradford T. Smith

Name: Bradford T. Smith
Title:Assistant Secretary

1403 Foulk Road, Suite 102
P.O. Box 8985
Wilmington, DE 19899

MAFCO HOLDINGS INC.

/s/ Joram Salig

Name: Joram Salig
Title: Vice President

35 East 62nd Street
New York, NY 10021

NATIONAL HEALTH CARE GROUP, INC.

/s/ Howard F. Gordon

Name: Howard F. Gordon
Title:Vice President

Cypress Financial Center
5900 North Andrews Avenue
Suite 700A
Ft. Lauderdale, FL 33309

NATIONAL HEALTH LABORATORIES HOLDINGS INC.

/s/ James R. Maher

Name: James R. Maher
Title: President and Chief Executive Officer

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