SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

/X/ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]

For the fiscal year ended April 2, 1995

OR

/ / TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the transition period from _____ to _____

Commission file number 1-5560

ALPHA INDUSTRIES, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	04-2302115
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
20 SYLVAN ROAD, WOBURN, MASSACHUSETTS	01801
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (617) 935-5150

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
COMMON STOCK, $.25 PAR VALUE	AMERICAN STOCK EXCHANGE
RIGHTS TO PURCHASE COMMON STOCK	AMERICAN STOCK EXCHANGE

Securities registered pursuant to Section 12(g) of the Act: NONE

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. /X/

The aggregate market value of the Registrant's Common Stock held by non-affiliates of the Registrant at May 31, 1995 was approximately $98,514,000.

The number of shares of Common Stock outstanding at May 31, 1995 was 7,750,101.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Company's Proxy Statement, to be filed within 120 days of the end of the Registrant's fiscal year are incorporated by reference into Part III of this Report.

PART I

ITEM 1 BUSINESS

PRODUCTS

The Company's principal products are Monolithic and Discrete Semiconductor Devices and Components and Ceramic Devices and Components. See table below:

CORE PRODUCTS AND TECHNOLOGIES

	MONOLITHIC INTEGRATED CIRCUITS & COMPONENTS		MATERIALS & PROCESSING	
MARKETS	MICROWAVE MMICS	MILLIMETER-WAVE MMICS	CERAMICS	DISCRETE SEMICONDUCTORS
Wireless Communications Cellular Base Cellular Mobile Wireless Local Area Network Paging Personal Communications Network Personal Communications Services Specialized Mobile Radio	Control, Amplify, Attenuate, Switch & Downconvert 900 MHz-5.0 GHz	Transceiver-Cellular Infrastructure 18-60 GHz Short Links	Dielectric Resonators Filters Antennas Circulator Elements Coaxial Inductors Resonators	Amplifiers Detectors Limiters Mixers Oscillators Multipliers Switches
Commercial Direct Broadcast Satellite/ TV Receive Only Global Positioning Satellite Other		Oscillators Mixers Switches Amplifiers Transceivers 20-40 GHz	Powders Substrates Dielectric Resonators Filters Antennas Coaxial Inductors Resonators	Amplifiers Detectors Limiters Mixers Oscillators Multipliers Switches
Military Military Communications Radar Warning/Jamming Missile Guidance	Components Switches Mixers Subsystems 5-20 GHz	Oscillators Mixers Amplifiers Transceivers 20-60 GHz	Ferrite Elements Phase Shifters Circulators Isolators Powders Dielectric Materials	Amplifiers Detectors Limiters Mixers Oscillators Multipliers Switches
Automotive Collision Avoidance Sensors	Applications >20GHz	Radar Receiver & Transmitter 60, 77 & 94 GHz	Substrates	Amplifiers Detectors Limiters Mixers Oscillators Multipliers Switches

The principal customers for these products are equipment manufacturers for commercial and defense microwave systems such as cellular telephones, commercial telecommunications, direct broadcast satellites, automotive collision avoidance applications and military radar, missile, and electronic warfare.

The Company's operations are within a single segment of the electronics industry: the development, production and sale of microwave materials, devices and components.

MARKETS AND DISTRIBUTION

During fiscal 1995, approximately 71% of the Company's sales were to manufacturers of commercial products, primarily in the wireless communications markets and include components for products such as wireless telephones and base stations in addition to motion detectors and sensors. The remaining 29% of sales were for use in a wide variety of defense-related systems.

Export sales to non-affiliates for fiscal years ended 1995, 1994 and 1993 were $16,855,000, $16,471,000, and $13,229,000, respectively. This compares with domestic sales for the same period of $54,974,000, $47,337,000, and $50,934,000, respectively. The Company operates sales subsidiaries in the United Kingdom and Germany, and a ceramic manufacturing operation in France. See Note 3 to the Financial Statements on page 17 for financial information about the Company's foreign and domestic operations.

The Company currently has approximately 1,300 customers in 30 countries. Its sales are made through 17 independent domestic sales representatives and 21 independent international sales representatives, as well as through its own sales force of 26 persons. Approximately 17% of the Company's sales are made through its own direct sales force and 83% through sales representatives.

RESEARCH AND DEVELOPMENT

Research and development efforts are undertaken by the Company both on a Company or customer sponsored basis. For customer sponsored projects, the customer may pay all or a portion of the expenses incurred. Some of the customer sponsored contracts are contracts which are reimbursed by the U.S. Government. The Company's products and markets are subject to continued technological advances. Recognizing this, the Company has maintained a high level of R&D activities to remain competitive in certain areas and to be an industry leader in other areas.

R&D expenditures for the last three fiscal years are detailed below (in thousands):

	1995	1994	1993
Company sponsored.....	$ 4,154	$ 3,429	$ 2,915
Customer sponsored.....	7,583	9,439	10,982
Other*.....	695	919	738
Total R & D Expenditures.....	$12,432	$13,787	$14,635

* Non-reimbursed costs incurred by the Company on customer sponsored contracts.

RAW MATERIALS

Raw materials for the Company's products and manufacturing processes are generally available from several sources. It is the Company's policy not to depend on a sole source of supply.

WORKING CAPITAL

The business of the Company is not seasonal, and there are no special practices with respect to working capital for the Company or the industry in general. The Company provides a limited warranty on its products against defects in material and workmanship. Payment terms are 30 days in the domestic market and generally 60 days in foreign markets.

CONTRACTS

During fiscal 1995, no one customer accounted for 10% or more of the Company's total sales. All of the Company's sales to the United States Government and prime contractors and subcontractors thereof are subject

to termination at the convenience of the Government, in which event the Company would normally be reimbursed for costs incurred. While U.S. Government orders are canceled in this manner, Alpha has seldom experienced any material terminations for convenience.

COMPETITIVE CONDITIONS

All of the Company's products are subject to substantial competition. The principal competitive factors affecting the Company's business are product performance, price, applications support and adherence to delivery schedules. The Company faces competition from divisions of larger, more diversified organizations in the electronics industry with substantially greater assets and access to larger financial resources, as well as from many smaller specialized companies. Some of Alpha's customers could elect to develop and manufacture internally the products they purchase from Alpha.

PATENT AND TRADEMARKS

Alpha owns a small number of patents and has other patent applications under preparation or pending. However, the Company believes that its technological position depends primarily on the ability to develop new innovative products through the technical competence of its engineering personnel.

BACKLOG

The Company's backlog of undelivered orders on April 2, 1995 was approximately $30,200,000 compared with $23,500,000 on April 3, 1994. The Company's policy is to record commercial orders on a quarterly basis consistent with expected customer short-term requirements. Management believes all orders in the Company's backlog to be firm. Approximately 90% of the April 2, 1995 backlog is anticipated to be shipped in fiscal year 1996.

ENVIRONMENTAL REGULATIONS

In the Company's opinion, compliance with federal, state, and local environmental protection regulations does not and will not have a material effect on the capital expenditures, earnings, and competitive position of the Company.

EXECUTIVE OFFICERS

The following table sets forth certain information with respect to the executive officers of the Company at May 31, 1995.

NAME	AGE	POSITION
George S. Kariotis	72	Chairman of the Board of Directors
Martin J. Reid	53	Director, President and Chief Executive Officer
David J. Aldrich	38	Vice President, Chief Financial Officer and Treasurer
Robert E. Goldwasser	50	Senior Vice President
P. Daniel Gallagher	51	Vice President
Thomas C. Leonard	60	Vice President
Joseph J. Alberici	39	Vice President, President of Trans-Tech, Inc.
Paul E. Vincent	47	Controller

All officers serve until the next Board of Directors meeting following the Annual Stockholders Meeting scheduled for September 11, 1995, or until their successors are elected and qualified. No officer was elected pursuant to any arrangement or understanding.

Since the founding of the Company in 1962 through 1978, George S. Kariotis was Chairman of the Board and Chief Executive Officer and, from January 1974 to September 1978, he was Treasurer of the Company. From

January 1979 to January 1983, Mr. Kariotis was the Secretary of Manpower Development and Economic Affairs for the Commonwealth of Massachusetts. He was re-elected Chairman of the Board in January 1983 and Chief Executive Officer in May 1985. Mr. Kariotis resigned as Chief Executive Officer on July 24, 1986 while he campaigned for public office. He resumed his position as Chief Executive Officer as of November 5, 1986 until May 15, 1991.

Martin J. Reid joined the Company in 1969 as an engineering group leader. In 1971 he became Division Manager of the Solid State Division. Mr. Reid was appointed to the office of Vice President of the Company in 1975, became Senior Vice President in 1981, was elected President and Chief Operating Officer in May 1985 and became a director in September 1985. Mr. Reid was acting Chief Executive Officer from July 1986 to November 1986. He was elected Chief Executive Officer May 15, 1991.

David J. Aldrich joined the Company in 1995 as Vice President, Chief Financial Officer and Treasurer. Mr. Aldrich has held several positions at M/A-COM, Inc. beginning in 1989 until January, 1995 including Manager Integrated Circuits Active Products, Corporate Vice President Strategic Planning, Director of Finance and Administration, Director of Strategic Initiatives with the Microelectronics Division. Prior to joining M/A-COM, Inc. in 1989 Mr. Aldrich was Controller with Adams Russell Electronics Company and a project leader for a NASA satellite communications program with Space Communications Company (a Fairchild Industries and Contel Inc. Partnership).

Robert E. Goldwasser was elected a Vice President in 1983 and Senior Vice President in 1989. Dr. Goldwasser served from 1982 to 1989 as President of Central Microwave Company, then a subsidiary of the Company. Prior to 1982, he was Vice President of Engineering for Central Microwave Company and a professor at Washington University, St. Louis, Missouri. Other senior technical staff assignments held by Dr. Goldwasser included positions with Varian Associates, M/A-COM, Inc. and Monsanto Corporation.

P. Daniel Gallagher joined the Company in March, 1989 as Director of Device Operations of Alpha's Devices Group and was elected Vice President September 10, 1990. Previously he held a series of engineering and marketing positions at M/A-COM, Inc. beginning with his initial assignment as a semiconductor engineer in 1968. He was appointed a Vice President of M/A-COM, Inc., in 1980 and in his last assignment he was the Vice President-General Manager of the M/A-COM, Inc. Lowell Semiconductor Operation. Mr. Gallagher began his career in 1966 with ITT UK as a semiconductor process engineer.

Thomas C. Leonard joined the Company in January, 1992 as General Manager of the Components and Systems Division. He became the General Manager of Operations for the Alpha Microwave Division effective January, 1994 and was elected a Vice President July 14, 1994. Mr. Leonard has over 30 years experience in the microwave industry having held a series of general managerial and marketing positions at M/A-COM, Inc., from 1972 to 1992 and prior to 1972 at Varian Associates and Sylvania.

Joseph J. Alberici joined Trans-Tech, Inc., a subsidiary of the Company, in 1987 and has held several positions with Trans-Tech, Inc., including Vice President of Marketing and New Products, Executive Vice President and Chief Operating Officer. He has been President of Trans-Tech, Inc. since 1992 and was elected Vice President of the Company April 28, 1994. Prior to 1987, Mr. Alberici was Plant Manager of the Microwave Products Division for MuRata Erie NA. In addition, Mr. Alberici held several engineering positions with Lambda Electronics and American Technical Ceramics.

Paul E. Vincent has held his position as Controller since he joined the Company in 1979.

EMPLOYEES

As of April 2, 1995, the Company and its subsidiaries employed approximately 830 persons, compared with 750 as of April 3, 1994.

ITEM 2 PROPERTIES

The following information describes the major facilities owned and leased by the Company. In the fourth quarter of fiscal 1994, the Company decided to consolidate its semiconductor and component businesses at

one facility in Woburn, Massachusetts and to sell its Methuen facility. The Company believes it has adequate productive capacity in the Woburn facility to meet the semiconductor and component business needs for the next 12 to 18 months. However with increasing demand for its ceramics products manufactured primarily at its Trans-Tech facility in Adamstown, Maryland, additional productive capacity for these products may be required within the next 12 to 18 months. As described in Note 5 to the consolidated financial statements on pages 18 through 20 several properties secure debt of the Company.

a. The Company owns a modern 158,000 square foot plant plus eight acres of land at 20 Sylvan Road, Woburn, Massachusetts. As a result of the consolidation, this plant is occupied by the semiconductor and component manufacturing operations and corporate headquarters. In addition, all semiconductor and component development activities are conducted at this facility.

b. The Company owns a 92,000 square foot facility in Adamstown, Maryland. This plant is occupied by the Company's wholly owned subsidiary, Trans-Tech, Inc.

c. The Company leases a 7,200 square foot facility in Marly, France. This plant is occupied by the Company's wholly owned subsidiary, Trans-Tech Europe SARL.

d. The Company leases an 8,700 square foot facility in Frederick, Maryland until May 31, 1995. Due to increased demand for ceramic filters the Company began leasing a 21,000 square foot facility in Frederick, Maryland in November 1994. These plants are used by the Company's wholly owned subsidiary, Trans-Tech, Inc. to manufacture ceramic filters.

e. The Company leases a 3,600 square foot facility in Milpitas, California. This facility is occupied by Western Trans-Tech, a division of Trans-Tech, Inc.

f. The Company owns an 85,000 square foot facility on 17 acres of land in Methuen, Massachusetts. Formerly occupied by the Components Division, this property is being held for resale.

ITEM 3 LEGAL PROCEEDINGS

The Company does not have any material pending legal proceedings other than routine litigation incidental to its business.

The Company has been notified by federal and state environmental agencies of its potential liability with respect to the following two sites: the Spectron, Inc. Superfund site in Elkton, Maryland; and the Seaboard Chemical Corporation site in Jamestown, North Carolina. In each case several hundred other companies have also been notified about their potential liability regarding these sites. The Company continues to deny that it has any responsibility with respect to these sites other than as a de minimis party. Management is of the opinion that the outcome of the aforementioned environmental matters will not have a material effect on the Company's operations.

See also Note 11 to the Financial Statements on page 26.

ITEM 4 SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of security holders during the fiscal quarter ended April 2, 1995.

PART II

ITEM 5 MARKET FOR THE REGISTRANT'S COMMON STOCK AND RELATED STOCKHOLDER MATTERS

See the section entitled "Quarterly Financial Data" appearing on page 15 for information regarding Common Stock market prices. Dividends have not been paid in either of the past two fiscal years. See Note 5 of the "Notes to Consolidated Financial Statements" appearing on pages 18 through 20 for information regarding dividend restrictions.

ITEM 6 SELECTED FINANCIAL DATA

FIVE YEAR FINANCIAL SUMMARY
(In thousands, except per share amounts and financial ratios)

	FISCAL YEAR				
	1995	1994	1993	1992	1991
RESULTS OF OPERATIONS					
Sales	$ 78,254	$ 70,147	$ 69,543	$ 71,032	$ 66,344
Income (loss) before extraordinary item	2,847	(11,466)	(2,987)	113	1,306
Extraordinary item-utilization of net operating loss carryforward	--	--	--	9	504
Net income (loss)	2,847	(11,466)	(2,987)	122	1,810
Per share data					
Income (loss) before extraordinary item	.36	(1.53)	(.40)	.02	.18
Extraordinary item	--	--	--	--	.07
Net income (loss)	$ .36	$ (1.53)	$ (.40)	$ .02	$ .25
Weighted average common shares	7,882	7,502	7,464	7,429	7,246
FINANCIAL RATIOS					
Return (based on net income-net loss)					
On sales	3.6%	(16.3%)	(4.3%)	0.2%	2.7%
On average assets	6.0%	(23.4%)	(5.6%)	0.2%	3.1%
On average equity	11.0%	(38.3%)	(8.1%)	0.3%	4.9%
Current Ratio	1.68	1.64	2.26	2.90	2.11
Debt to Equity	17.1%	19.9%	11.8%	13.1%	14.0%
FINANCIAL POSITION					
Working Capital	$ 10,983	$ 8,981	$ 15,767	$ 17,800	$ 14,454
Additions to property, plant and equipment	5,248	2,939	4,112	1,274	2,179
Total assets	50,167	44,430	53,777	53,211	57,071
Long-term debt	4,744	4,826	4,191	5,030	5,349
Long-term capital lease obligations	754	892	1,032	--	--
Stockholders' equity	27,674	24,261	35,565	38,456	38,233
OTHER STATISTICS					
New orders (net of cancellations)	84,900	66,700	70,500	66,500	65,200
Backlog at year end	$ 30,200	$ 23,500	$ 26,900	$ 25,900	$ 30,500

ALPHA INDUSTRIES, INC. AND SUBSIDIARIES----------

ITEM 7 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Company continues to gain strength in its target wireless communication markets as evidenced by fiscal 1995 increases in sales, net income and orders. Two multi-million dollar wireless component orders for gallium arsenide monolithic semiconductors and ceramic filters were announced during fiscal 1995. These orders are with two of the major cellular Original Equipment Manufacturers. The ceramic filters contract represents the first major volume production contract in our ceramics component filter business, leveraging our core ceramic capabilities in our target wireless markets. Fiscal 1995 saw creation of the Alpha Microwave Group resulting from the consolidation of the semiconductor and component businesses at one facility in Woburn, Massachusetts. The consolidation took place at the end of fiscal 1994. Both Alpha Microwave and, Trans Tech, Inc., our ceramics product subsidiary, continue to be successful in penetrating the wireless communication markets. Other announcements during the year included the Alpha Microwave Group receiving certification under the ISO 9001 Quality System Standard, achieving a global standard of excellence that demonstrates the Company's commitment to our customers with a focus of manufacturing excellence and product quality.

RESULTS OF OPERATIONS

Sales for fiscal 1995 totaled $78.3 million compared with fiscal 1994 sales of $70.1 million and fiscal 1993 sales of $69.5 million. Increased shipments for fiscal 1995 and 1994 resulted primarily from wireless communication products such as (a) Gallium Arsenide Monolithic Integrated Circuits and components (GaAs MMICs), (b) ceramic products for cellular telephones and base stations, (c) discrete semiconductors for wireless products and (d) dielectric filters. As the Company gains strength in the commercial wireless communication markets, direct sales to the United States Defense Department continue to decline, with 29% of fiscal 1995 sales related to military subcontracts for ultimate sale to the Defense Department or foreign governments, compared with 40% in fiscal 1994 and 49% in fiscal 1993. The decrease in defense related business is attributable to the decline in SADARM and Longbow program activity. Even though programs for traditional military products decline, the Company is still interested in developmental military programs that will help enhance technology for wireless applications, and whenever possible the Company will actively pursue such developmental contracts as a means of developing new products.

Foreign sales increased in fiscal 1995 to $23.3 million versus $22.8 million in fiscal 1994 and $18.6 million in fiscal 1993. The increase in foreign sales for fiscal 1995 was primarily due to increased shipments for ceramic products for cellular telephones and base stations. Fiscal 1994 increase in foreign sales was due to (a)dielectric resonator filters, (b) radar detector components and (c) components for cellular telephone systems. Domestic sales were $55.0 million for fiscal 1995 versus $47.3 million for fiscal 1994 and $50.9 million for fiscal 1993. The fiscal 1995 increase in domestic sales is a result of increased shipments of ceramic components and semiconductors used in wireless communication products, whereas the decrease in domestic sales for fiscal 1994 is due to substantial reduction in military program funding.

New orders for fiscal 1995 were $84.9 million, an increase of 27% over the same period last year. These new orders were dominated by commercial wireless contracts and included only a small portion of the two large wireless component orders noted above. Initial deliveries for the Motorola ceramic filter order have been shipped and accepted; however there have been some initial delays in production due to the Company's capacity expansion and facility move regarding Trans Tech, Inc. leasing an additional 21,000 square foot manufacturing facility for ceramic filters. Consequently, Motorola has deferred a portion of the early production deliveries in order to allow for the production ramp later in the fiscal year. The Company has met the technical specifications on the initial deliveries and expects to establish volume production schedules during fiscal 1996.

Backlog at the end of fiscal 1995 was $30.2 million compared with $23.5 million in fiscal 1994 and $26.9 million in fiscal 1993. The $6.7 million increase in fiscal 1995 backlog is the result of increased orders for wireless communication products, whereas the $3.4 million decrease in fiscal 1994 was attributable to the cancellation of orders related to discontinued product lines and military programs.

Gross profit as a percent of sales increased to 30.5% in fiscal 1995 compared with 21.0% in fiscal 1994 and 24.6% in fiscal 1993. The increase in gross profit is the result of (a) increased sales volumes coupled with fixed costs

remaining constant (b) greater efficiencies and reduced costs due to the consolidation of facilities that took place in fiscal 1994 when the Company moved several product lines to its Woburn, Massachusetts plant. The decrease in gross profit for fiscal 1994 was the result of steadily deteriorating margins attributable primarily to the costs of maintaining dedicated resources in the semiconductor and component businesses for certain military programs while revenues for these same programs declined. The facility consolidation during the fourth quarter of fiscal 1994 also further decreased gross profits because of business interruptions and reengineering costs. Lastly, the inventory liquidations driven by reduced manufacturing cycles increased costs, resulting in lower gross profit.

Research and development expenses increased $725 thousand for fiscal 1995 and $514 thousand for fiscal 1994. Customer sponsored R&D continued to decrease $1.9 million in fiscal 1995 and $1.5 million in fiscal 1994, particularly customer funded programs such as SADARM and Longbow. As customer sponsored R&D continues to decrease, the Company sponsored R&D will continue to increase, since the Company is strongly committed to developing new wireless communication products. However, whenever possible the Company will try to fund its R&D through collaborative developmental contracts.

Selling and administrative expenses decreased $554 thousand, mainly as a result of a 20% reduction in administrative personnel completed during the fourth quarter of fiscal 1994. For fiscal 1994 and 1993, selling and administrative expenses remained constant.

Interest expense decreased $40 thousand since certain deferred finance costs associated with the Methuen facility were charged to the repositioning cost in the fourth quarter of fiscal 1994. Fiscal 1994 interest expense decreased $112 thousand because fiscal 1993 included a settlement of prior tax issues that included an interest charge.

Net income for fiscal 1995 was $2.8 million or $0.36 per share, compared to a net loss of $11.5 million or $1.53 per share. The fourth quarter of fiscal 1994 included a repositioning charge of $5.6 million.

FINANCIAL POSITION

At April 2, 1995, working capital totaled $11.0 million and included $3.5 million in cash and cash equivalents, compared with $9.0 million of working capital at the end of fiscal 1994. Cash increased $1.8 million during fiscal 1995 mainly as a result of proceeds from the Company's line of credit and a Community Development Block Grant from the state of Maryland. During fiscal 1995, the Company purchased $5.2 million of equipment for semiconductor and microwave ceramic manufacturing operations as well as various information technology equipment. With increase demand for wireless products, the Company expects to increase its need for equipment and capacity. During fiscal 1995, the Company obtained a $3.0 million operating lease line and received proceeds of $234 thousand from a $960 thousand Community Development Block Grant from the state of Maryland. Proceeds of $130 thousand were received during fiscal 1994 under this grant. The Company has also received preliminary approval from the state of Maryland for two grants for approximately $3 million to finance its expansion to meet order requirements particularly for wireless products.

The Company plans significant capital expansion in order to service the increasing requirements for its products in the wireless markets. Alternative sources of financing are being pursued, such as increasing the amount of the line of credit, receiving additional grant funding, capital financing through leases, and any other sources of funding capital that may become available. At April 2, 1995, $3.0 million was borrowed under the line of credit agreement. The $7.5 million line of credit is available until September 5, 1995 and the Company expects to extend the line of credit agreement at that time. As demand for capacity increases, the Company will continue to seek alternative sources of funding capital.

OTHER MATTERS

Inflation did not have a significant impact upon the results of operations of the Company during the three year period ended April 2, 1995.

ALPHA INDUSTRIES, INC. AND SUBSIDIARIES----------

ITEM 8 FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA INDEX TO FINANCIAL STATEMENTS

- ----------ALPHA INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In thousands except share and per share amounts)

	APRIL 2, 1995	APRIL 3, 1994
ASSETS		
Current assets		
Cash and cash equivalents (Note 5)	$ 3,510	$ 1,691
Accounts receivable, trade, less allowance for doubtful accounts of $783 and $945 (Note 5)	13,548	13,243
Inventories (Notes 4 and 5)	9,370	7,613
Prepayments and other current assets	756	490
Total current assets	27,184	23,037
Property, plant and equipment (Note 5)		
Land	462	282
Building and improvements	22,148	21,412
Machinery and equipment	51,162	47,395
	73,772	69,089
Less-accumulated depreciation and amortization	53,283	49,648
	20,489	19,441
Other assets	594	507
Property held for resale (Note 6)	1,900	1,445
	$ 50,167	$ 44,430
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Notes payable, bank (Note 5)	$ 3,000	$ 1,250
Current maturities of long-term debt (Note 5)	339	354
Current maturities of capital lease obligations (Note 5)	370	371
Accounts payable	5,206	5,065
Repositioning reserve (Note 6)	991	1,958
Accrued liabilities		
Payroll, commissions and related expenses	4,777	4,094
Other (Note 7)	1,518	964
Total current liabilities	16,201	14,056
Long-term debt (Note 5)	4,744	4,826
Long-term capital lease obligations (Note 5)	754	892
Other long-term liabilities	794	395
Commitments and contingencies (Note 11)		
Stockholders' equity		
Common stock par value $.25 per share: authorized 30,000,000 shares; issued 7,994,495 and 7,787,689 shares (Note 9)	1,999	1,947
Additional paid-in capital (Note 9)	27,921	27,325
Accumulated deficit (Note 5)	(1,738)	(4,585)
	28,182	24,687
Less - Treasury shares 262,886 and 262,829 at cost	330	331
Unearned compensation-restricted stock (Note 9)	178	95
Total stockholders' equity	27,674	24,261
	$ 50,167	$ 44,430

The accompanying notes are an integral part of these financial statements.

ALPHA INDUSTRIES, INC. AND SUBSIDIARIES----------

CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands except per share amounts)

	YEAR ENDED		
	APRIL 2, 1995	APRIL 3, 1994	MARCH 28, 1993
Sales	$78,254	$ 70,147	$ 69,543
Cost of sales	54,376	55,395	52,404
Research and development expenses (Note 2)	4,154	3,429	2,915
Selling and administrative expenses	15,727	16,281	16,281
Repositioning expenses (Note 6)	--	5,639	--
	74,257	80,744	71,600
Operating income (loss)	3,997	(10,597)	(2,057)
Other income (expense)			
Interest expense	(728)	(768)	(880)
Interest income	57	64	39
Other income net	23	105	111
	(648)	(599)	(730)
Income (loss) before income taxes (Note 8)	3,349	(11,196)	(2,787)
Provision for income taxes (Note 8)	502	270	200
Net income (loss)	$ 2,847	$(11,466)	$ (2,987)
Net income (loss) per share	$ .36	$ (1.53)	$ (.40)

The accompanying notes are an integral part of these financial statements.

- ----------ALPHA INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	YEAR ENDED APRIL 2, 1995	APRIL 3, 1994	MARCH 28, 1993
CASH PROVIDED BY (USED IN) OPERATIONS:			
Net income (loss)	$ 2,847	$(11,466)	$ (2,987)
Adjustments to reconcile net income (loss) to net cash provided by operations:			
Depreciation and amortization of property, plant, and equipment	4,106	4,521	4,681
Amortization of unearned compensation - restricted stock	64	44	42
Unearned compensation	--	(11)	(11)
Loss (gain) on sales and retirements of property, plant, and equipment	26	--	(13)
Loss on property, plant and equipment due to repositioning	--	2,479	--
Increase in other assets	(536)	(69)	(109)
Increase (decrease) in other liabilities and long-term benefits	399	(70)	115
Issuance of treasury stock to ESOP	12	--	--
Change in assets and liabilities			
Accounts receivable	(305)	706	(610)
Inventories	(1,757)	2,331	647
Prepayments and other current assets	(266)	482	123
Accounts payable	141	912	677
Accrued liabilities	1,237	(349)	(173)
Repositioning reserve	(967)	1,958	--
Net cash provided by operations	5,001	1,468	2,382
CASH USED IN INVESTMENTS:			
Additions to property, plant and equipment	(4,971)	(2,630)	(2,763)
Proceeds from sale of property, plant and equipment	68	33	86
Net cash used in investments	(4,903)	(2,597)	(2,677)
CASH PROVIDED BY (USED IN) FINANCING:			
Proceeds from notes payable	1,983	131	1,892
Payments on notes payable	(330)	(623)	(319)
Payments on capital lease obligations	(416)	(311)	(84)
Deferred charges related to long-term debt	(6)	68	17
Exercise of stock options	391	45	--
Proceeds from sale of stock	99	84	65
Net cash provided by (used in) financing	1,721	(606)	1,571
Net increase (decrease) in cash and cash equivalents	1,819	(1,735)	1,276
Cash and cash equivalents, beginning of year	1,691	3,426	2,150
Cash and cash equivalents, end of year	$ 3,510	$ 1,691	$ 3,426

Supplemental disclosures:

Capital lease obligations of $277, $309 and $1,349 were incurred during the years ended April 2, 1995, April 3, 1994, and March 28, 1993, respectively, when the Company entered into leases for new equipment.

The accompanying notes are an integral part to these financial statements.

ALPHA INDUSTRIES, INC. AND SUBSIDIARIES----------

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)

	COMMON STOCK SHARES	COMMON STOCK PAR VALUE	ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS (ACCUMULATED) (DEFICIT)	TREASURY STOCK	UNEARNED COMPENSATION RESTRICTED STOCK
Balance March 29, 1992	7,690	$1,923	$27,085	$ 9,868	$(264)	$(156)
Net loss	--	--	--	(2,987)	--	--
Employee Stock Purchase Plan	31	8	57	--	--	--
Issuance of restricted shares	15	3	51	--	--	(54)
Amortization of unearned compensation restricted stock	--	--	--	--	--	42
Repurchase 17,000 shares of restricted stock	--	--	--	--	(46)	35
Balance March 28, 1993	7,736	1,934	27,193	6,881	(310)	(133)
Net loss	--	--	--	(11,466)	--	--
Employee Stock Purchase Plan	29	7	77	--	--	--
Issuance of restricted shares	5	1	15	--	--	(16)
Amortization of unearned compensation restricted stock	--	--	--	--	--	44
Repurchase 8,333 shares of restricted stock	--	--	--	--	(21)	10
Exercise of stock options	17	5	40	--	--	--
Balance April 3, 1994	7,787	1,947	27,325	(4,585)	(331)	(95)
Net income	--	--	--	2,847	--	--
Employee Stock Purchase Plan	29	7	92	--	--	--
Issuance of restricted stock	31	8	139	--	--	(147)
Amortization of unearned compensation restricted stock	--	--	--	--	--	64
Issuance 1,110 treasury shares to ESOP	--	--	11	--	1	--
Exercise of stock options	147	37	354	--	--	--
Balance April 2, 1995	7,994	$1,999	$27,921	$ (1,738)	$(330)	$(178)

The accompanying notes are an integral part of these financial statements.

QUARTERLY FINANCIAL DATA
(unaudited)
(In thousands except per share data)

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	YEAR
FISCAL 1995					
Sales	$18,675	$18,253	$ 19,359	$ 21,967	$ 78,254
Gross profit	5,618	5,397	5,865	6,998	23,878
Net income	603	659	774	811	2,847
Per share data					
Net income	.08	.08	.10	.10	.36
Market price range:					
High	4-1/2	6-7/8	7-3/8	11-5/8	11-5/8
Low	3	3-7/8	5-1/4	6-3/8	3
FISCAL 1994					
Sales	$18,909	$16,693	$ 17,760	$ 16,785	$ 70,147
Gross profit (loss)	5,092	4,882	4,808	(30)	14,752
Net income (loss)	279	170	40	(11,955)	(11,466)
Per share data					
Net income (loss)	.04	.02	--	(1.59)	(1.53)
Market price range:					
High	3-5/8	6-3/8	6	4-9/16	6-3/8
Low	2-5/8	3	4	3-1/8	2-5/8

The Company's common stock is traded on the American Stock Exchange, symbol AHA.
The number of stockholders of record as of May 31, 1995 was approximately 1,200.

ALPHA INDUSTRIES, INC. AND SUBSIDIARIES----------

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation:

The financial statements include the accounts of the Company and its subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation. The Company's fiscal year ends on the Sunday closest to March 31, there were 52 weeks in fiscal 1995, 53 weeks in fiscal 1994, and 52 weeks in fiscal 1993.

Revenue Recognition:

Revenue is recognized when a product is shipped and services are performed. Contract revenue is recognized on the percentage-of-completion method, which is primarily measured on the ratio of units shipped to the total contract number of units. Provisions for estimated losses, if any, on uncompleted contracts are made in the period in which such losses are determined.

Foreign Currency Translation:

The accounts of foreign subsidiaries are translated in accordance with the Financial Accounting Standards Board Statement No. 52. Foreign operations are remeasured as if the functional currency were the U.S. dollar. Monetary assets and liabilities are translated at the year end rates of exchange. Revenues and expenses (except cost of sales and depreciation) are translated at the average rate for the period. Non-monetary assets, equity, cost of sales and depreciation are remeasured at historical rates. Remeasurement gains and losses are reflected currently in operations and are not material.

Research and Development Expenditures:

Research and development expenditures are charged to income as incurred unless they are reimbursed under specific contracts. Losses incurred on the equity basis in the Company's two joint ventures are included in research and development.

Cash and Cash Equivalents:

Cash and cash equivalents include cash deposited in demand deposits at banks and temporary investments. The Company considers temporary investments as those with original maturities of less than 90 days.

Inventories:

Inventories are stated at the lower of cost, determined on a first-in, first-out basis, or market.

Property, Plant and Equipment:

Property, plant and equipment are carried at cost. Depreciation is provided on the straight-line method for financial reporting and accelerated methods for tax purposes.

Estimated useful lives used for depreciation purposes are 8 to 30 years for buildings and improvements and 3 to 10 years for machinery and equipment.

Income Taxes:

In February 1992, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard No. 109, "Accounting for Income Taxes." Statement 109 requires a change from the deferred method of accounting for income taxes of APB Opinion 11 to the asset and liability method of accounting for income taxes. Under the asset and liability method of Statement 109, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. In addition, Statement 109 requires the recognition of future tax benefits such as net operating loss carryforwards, to the extent that realization of such benefits is more likely than not. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under Statement 109, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company adopted Statement 109 on March 29, 1993. There was no cumulative effect on earnings from the change in the method of accounting for income taxes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Income Per Share:
Net income per share of common stock for fiscal 1995 is computed on the basis of the weighted average shares of common stock outstanding plus common equivalent shares arising from the effect of dilutive stock options and warrants, using the treasury stock method. In fiscal 1994 and 1993 stock options did not impact net income per share as they were either insignificant or antidilutive. The weighted average number of shares of common stock and common equivalent shares outstanding for the calculation of primary earnings per share was 7,882,000 in fiscal 1995, 7,502,000 in fiscal 1994, and 7,464,000 in fiscal 1993.

NOTE 2 JOINT VENTURES

In fiscal year 1984 the Company and Aerojet ElectroSystems Company formed a joint venture, and in fiscal year 1987 the Company entered into a similar arrangement with Martin Marietta Corporation. These ventures were formed for the purpose of developing and producing certain millimeter wave monolithic integrated circuits. Each joint venture may be terminated by either party at any time.

The Company's joint ventures with Aerojet ElectroSystems Company and Martin Marietta Corporation were created to share research and development expenses in order to develop technology for millimeter wave monolithic integrated circuits. In the case of the Aerojet/Alpha venture, this partnership has been dormant since 1987. The partnership has no remaining assets or liabilities. As for the Martin/Alpha venture, the only assets or liabilities that exist are the original capitalization of $5,000 and the amounts due to/due from the partners. The technical goal established by this partnership is near completion and this partnership will cease activity by the end of calendar year 1995. The Company's share of the joint venture's research and development expenses are recorded in the Company's consolidated statements of operations. The Company has no investment recorded on its consolidated balance sheet for either joint venture.

The Company's share of losses incurred by the joint ventures is recorded on the equity basis and included in research and development expenses. The losses were approximately $895,000, $856,000, and $1,618,000 in fiscal years 1995, 1994, and 1993, respectively.

NOTE 3 COMPANY OPERATIONS

The Company operates in one industry segment: the development, production and sale of microwave materials, devices and components. Sales include export sales primarily to Europe and Southeast Asia of $16,855,000, $16,471,000, and $13,229,000, in fiscal years 1995, 1994, and 1993, respectively.

During fiscal year 1994, one customer accounted for 15% of the Company's total sales.

The Company operates sales subsidiaries in the United Kingdom and Germany, and a ceramic manufacturing operation in France. The following table shows certain financial information relating to the Company's operations in various geographic areas (in thousands):

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 3 COMPANY OPERATIONS (CONTINUED)

	1995	1994	1993
Sales			
United States			
Customers	$ 67,495	$ 61,963	$ 64,163
Intercompany	4,668	5,753	3,534
Europe			
Customers	10,759	8,184	5,380
Eliminations	(4,668)	(5,753)	(3,534)
Net Sales	78,254	70,147	69,543
Income (loss) before taxes			
United States	2,723	(11,767)	(2,731)
Europe	626	571	(56)
Income (loss) before taxes	3,349	(11,196)	(2,787)
Assets			
United States	44,896	40,454	50,814
Europe	5,271	3,976	2,963
Total Assets	$ 50,167	$ 44,430	$ 53,777

Transfers between geographic areas are made at terms that allow for a reasonable profit to the seller.

NOTE 4 INVENTORIES

Inventories consisted of the following (in thousands):	APRIL 2, 1995	APRIL 3, 1994
Raw materials	$ 3,186	$ 2,402
Work-in-process	4,950	3,570
Finished goods	1,234	1,641
	$ 9,370	$ 7,613

Work-in-process inventory has been reduced by allowances for estimated losses to be sustained on completion of certain contracts. These allowances totaled $117,000 and $593,000 in fiscal years 1995 and 1994, respectively.

NOTE 5 BORROWING ARRANGEMENTS AND COMMITMENTS

LINE OF CREDIT

The Company has a line of credit with Silicon Valley Bank for $7.5 million which expires on September 5, 1995. The line of credit is collateralized by various receivables, inventories and equipment. Interest payments are due monthly at a rate of 1 1/2% above prime (prime was 9.0% at April 2, 1995). At April 2, 1995, and April 3, 1994, $3.0 million and $1.25 million, respectively, had been borrowed under this line of credit.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 5 BORROWING ARRANGEMENTS AND COMMITMENTS (CONTINUED)

LONG-TERM DEBT

Long-term debt consisted of the following (in thousands):	APRIL 2, 1995	APRIL 3, 1994
9-1/2% Mortgage Note Payable (a)	$ 80	$ 120
Industrial Revenue Bonds (b)	3,878	4,046
UDAG Loan (c)	438	540
French Government Sponsored and Start-up Loans (d)	323	343
CDBG Grant (e)	364	131
	5,083	5,180
Less - current maturities	339	354
	$4,744	$4,826

a. The mortgage note payable is collateralized by land and buildings having a net book value of $5,666,000 at April 2, 1995. Principal installments of $3,333, plus interest, are due monthly until March 1997.

b. On November 20, 1990, the Company's $3.1 million Industrial Revenue Bond was sold to a financial investment company. The bond will mature in July 2004. The bond bears interest at a rate of 10.25% payable semi-annually. The Company is required to maintain $158,000 in escrow which is included in cash and cash equivalents.

The Company has two other Industrial Revenue Bonds. The first bond was due in quarterly payments of $19,135 until December 1994 and bore interest at a rate of 10.25%. The second bond was sold on December 9, 1993, to the Farmers and Mechanics National Bank. The interest rate on this bond is prime and quarterly principal payments of $27,777 are due until March, 2002.

The bonds are secured by various property, plant and equipment with a net book value of $9,758,000 at April 2, 1995 and a pledge of lease revenues of its Methuen facility.

c. The City of Lawrence, Massachusetts lent the Company $989,000 in proceeds it acquired from an Urban Development Action Grant (UDAG). Monthly payments of $10,491 representing principal and interest at 5% on the unamortized balance are required until January 1999.

d. The Company has three unsecured government sponsored and start-up business loans. The first loan is at an interest rate of 8.75% and requires annual payments of $36,000 beginning December 1994 through December 1998. The second loan is at an interest rate of 5% and requires interest payments only until February 1995. Starting in February 1995 and through February 2000 quarterly principal and interest payments of $8,300 are due. The third loan is at an interest rate of 9.0% and requires principal and interest payments of $3,500 through January 1998.

e. The Company obtained a ten year $960,000 loan from the State of Maryland under the Community Development Block Grant program. At April 2, 1995 the Company had received total funding of $364,000. Quarterly payments will be due beginning June 1996 through December 2003 and will represent principal and interest at 5% of the unamortized balance.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 5 BORROWING ARRANGEMENTS AND COMMITMENTS (CONTINUED)

Aggregate annual maturities of long-term debt are as follows (in thousands):

FISCAL YEAR	
1997	$ 407
1998	334
1999	317
2000	183
Thereafter	3,503
	$ 4,744

Capital Lease Obligations

At April 2, 1995, included in property, plant and equipment are the following capitalized leases (in thousands):

Machinery and equipment	$ 1,850
Accumulated depreciation and amortization	742
	$ 1,108

Future minimum lease payments under the capitalized lease obligations at April 2, 1995 were as follows (in thousands):

FISCAL YEAR	
1996	$ 427
1997	343
1998	219
1999	22
2000	14
Thereafter	194
Total minimum lease payments	1,219
Less: Amount representing interest	95
Present value of net minimum lease payments	1,124
Less: Current maturities	370
Long-term maturities	$ 754

Cash payments for interest were $635,000, $740,000, and $899,000, in fiscal years 1995, 1994, and 1993, respectively.

The bonds and line of credit include various covenants that require maintenance of certain financial ratios and balances and restrict creation of funded debt and payment of dividends. Under the most restrictive covenants the Company may not pay dividends except restricted payments in an amount not to exceed $400,000 in connection with the redemption of certain common stock repurchase rights.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 6 REPOSITIONING CHARGES

On January 25, 1994, the Company announced the transfer of certain component product lines manufacturing from a facility in Methuen, Massachusetts to the Company's headquarters facility in Woburn, Massachusetts. These component product lines were used principally by military customers. Faced with a continued decline in defense business, the Company determined the need for further consolidations to reduce operating costs and enhance its competitive position in commercial electronics markets, principally wireless communications. In the fourth quarter of fiscal year 1994, the Company recorded a repositioning charge of $5.6 million which included charges for employee severance costs of $2.2 million, the write-down of $2.6 million to reduce the carrying value of the Methuen, Massachusetts plant to its estimated net realizable value and costs related to the consolidation of the facilities of $800 thousand. During fiscal 1995 the Company paid severance costs of $600 thousand and consolidation costs of $300 thousand. Severance costs of $500 thousand and consolidation costs of $600 thousand were paid in fiscal 1994. The $2.6 million write-down of the Methuen plant includes $1.2 million for carrying and selling costs through the expected date of disposal. The Methuen plant was valued at $1.9 million at April 2, 1995 and $1.4 million at April 3, 1994. During fiscal 1995, the Company paid $500 thousand in carrying costs related to the Methuen plant.

NOTE 7 OTHER CURRENT LIABILITIES

Other current liabilities consisted of the following (in thousands):

	APRIL 2, 1995	APRIL 3, 1994
Income taxes	$ 411	$ 215
Professional services	172	161
Interest	171	114
Miscellaneous	764	474
	$ 1,518	$ 964

NOTE 8 INCOME TAXES

Income (loss) before income taxes consisted of (in thousands):

	1995	1994	1993
Domestic	$ 2,723	$(11,767)	$(2,731)
Foreign	626	571	(56)
	$ 3,349	$(11,196)	$(2,787)

The provision for income taxes consisted of (in thousands):

	1995	1994	1993
Current income taxes			
Federal	$ 75	$ --	$ --
State	217	126	151
Foreign	210	144	49
	$ 502	$ 270	$ 200

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 8 INCOME TAXES (CONTINUED)

The provision for income taxes is different from that which would be obtained by applying the statutory Federal income tax rate to income (loss) before income taxes. The items causing this difference are as follows (in thousands):

	1995	1994	1993
Tax expense (benefit) at U.S. statutory rate.....	$ 1,139	$ (3,807)	$ (948)
State income taxes, net of Federal benefit.....	143	83	100
Operating loss not currently benefited.....	--	4,044	980
Change in valuation allowance.....	(763)	--	--
Other (net).....	(17)	(50)	68
	$ 502	$ 270	$ 200

	1995	1994
Deferred tax assets (in thousands):		
Accounts receivable due to bad debt.....	$ 293	$ 351
Inventories due to reserves and inventory capitalization.....	407	1,027
Accrued liabilities.....	1,475	1,812
Deferred compensation.....	243	192
Other.....	4	55
Net operating loss carryforward.....	9,374	9,500
Charitable contribution carryforward.....	33	26
Short-term capital loss carryforward.....	160	160
Minimum tax credits and state tax credit carryforwards.....	203	--
Total gross deferred tax assets.....	12,192	13,123
Less valuation allowance.....	(9,196)	(9,959)
Net deferred tax assets.....	2,996	3,164
Deferred tax liabilities (in thousands):		
Property, plant and equipment due to depreciation.....	(2,989)	(3,140)
Other.....	(7)	(24)
Total gross deferred tax liability.....	(2,996)	(3,164)
Net deferred tax.....	$ 0	$ 0

The valuation allowance for deferred tax assets as of April 2, 1995, was $9,196,000. The net change in the total valuation allowance for the year ended April 2, 1995 was a decrease of $763,000.

Cash payments for income taxes were $157,000, $111,000, and $194,000 in fiscal years 1995, 1994, and 1993, respectively. As of April 2, 1995, the Company has available for income tax purposes approximately $25,500,000 in federal net operating loss carryforwards which may be used to offset future taxable income. These tax benefits begin to expire in fiscal year 2004. The Company also has minimum tax credit carryforwards of approximately $10,000 which are available to reduce future federal regular income taxes, if any, over an indefinite period. In addition, the Company has state tax credit carryforwards of $193,000 of which $135,000 is available to reduce state income taxes over an indefinite period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 8 INCOME TAXES (CONTINUED)

The Company has not recognized a deferred tax liability of approximately $734,000 for the undistributed earnings of its 100 percent owned foreign subsidiaries that arose in 1995 and prior years because the Company currently does not expect those unremitted earnings to reverse and become taxable to the Company in the foreseeable future. A deferred tax liability will be recognized when the Company expects that it will recover those undistributed earnings in a taxable manner, such as through receipt of dividends or sale of the investments. As of April 2, 1995, the undistributed earnings of these subsidiaries were approximately $2,158,000.

NOTE 9 COMMON STOCK

LONG-TERM INCENTIVE PLAN

The Company has a Long-Term Incentive Plan adopted in 1986 pursuant to which stock options, with or without stock appreciation rights, may be granted and restricted stock awards and book value awards may be made.

Common Stock Options
These options may be granted in the form of incentive stock options or non-qualified stock options. The option price may vary at the discretion of the Compensation Committee but shall not be less than the greater of fair market value or par value. The option term may not exceed ten years. The options may be exercised in cumulative annual increments commencing one year after the date of grant.

Restricted Stock Awards
For fiscal years 1995, 1994, and 1993, respectively, a total of 31,000, 5,000, and 15,000, restricted shares of the Company's common stock were granted to certain employees.

The market value of shares awarded were $147,000, $16,000, and $54,000, for fiscal 1995, 1994, and 1993, respectively. These amounts were recorded as unearned compensation - restricted stock and are shown as a separate component of stockholders' equity. Unearned compensation is being amortized to expense over the five year vesting period and amounted to $64,000, $44,000, and $42,000 in fiscal 1995, 1994, and 1993, respectively.

LONG-TERM COMPENSATION PLAN

On October 1, 1990, the Company adopted a Supplemental Executive Retirement Plan (SERP) for certain key executives. Benefits payable under this plan are based upon the participant's base pay at retirement reduced by proceeds from the exercise of certain stock options. Options vest over a five year period. Benefits earned under the SERP are fully vested at age 55, however, the full amount of accrued benefit will not usually begin until age 65. Compensation expense related to the plan was $68,000, $130,000, and $115,000, in fiscal 1995, 1994, and 1993, respectively. Total benefits accrued under these plans were $453,000 at April 2, 1995, $385,000 at April 3, 1994, and $255,000 at March 28, 1993.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 9 COMMON STOCK (CONTINUED)

A summary of stock option and restricted stock award transactions follows:

	NUMBER OF SHARES UNDER OPTIONS AND RESTRICTED STOCK AWARDS	OPTION PRICES PER SHARE
Balance, March 29, 1992.....	742,138	$ 2.375-$8.75
FISCAL YEAR 1993 TRANSACTIONS		
Granted.....	364,000	2.75 - 3.625
Exercised.....	--	--
Cancelled.....	(121,394)	2.375- 5.75
Balance, March 28, 1993.....	984,744	2.375- 8.75
FISCAL YEAR 1994 TRANSACTIONS		
Granted.....	49,500	3.25 - 3.625
Exercised/vested.....	(33,554)	2.50 - 3.75
Cancelled.....	(30,126)	2.50 - 8.75
Balance, April 3, 1994.....	970,564	2.375- 8.75
FISCAL YEAR 1995 TRANSACTIONS		
Granted.....	87,000	3.875- 10.25
Exercised.....	(166,590)	2.50 - 4.625
Cancelled.....	(21,749)	2.50 - 10.25
Balance, April 2, 1995.....	869,225	$ 2.375-$10.25

	NUMBER OF SHARES EXERCISABLE	NUMBER OF SHARES RESERVED FOR FUTURE GRANTS
April 2, 1995.....	401,370	285,631

STOCK PURCHASE WARRANTS

In April, 1994, the Company amended its line of credit agreement and issued 50,000 stock purchase warrants to Silicon Valley Bank. The warrants are exercisable at $3.75 per share.

STOCK OPTION PLAN FOR NON-EMPLOYEE DIRECTORS

On September 12, 1994, the shareholders approved a Non-Qualified Stock Option Plan for Non-Employee Directors. A total of 50,000 options may be granted under this plan. The option price is the greater of the fair market value of the shares of Common Stock at the time the option is granted or four dollars ($4.00). Options are exercisable 20% per year. During fiscal 1995, each of the three directors received 5,000 non-qualified stock options issued at $5.875 per share.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 9 COMMON STOCK (CONTINUED)

STOCK PURCHASE PLAN

In December, 1989, the Company adopted an employee stock purchase plan. The plan was amended in October 1992 to provide for six month offering periods. Under the plan eligible employees may purchase common stock through payroll deductions of up to 10% of compensation. The price per share is the lower of 85% of the market price at the beginning or end of the offering period. The plan provides for purchases by employees of up to an aggregate of 300,000 shares through December 31, 1995. Shares of 28,875, 29,313, and 30,556, were purchased under this plan in fiscal years 1995, 1994, and 1993, respectively.

SHAREHOLDER RIGHTS PLAN

In November 1986, the Board of Directors of the Company declared a dividend distribution of one right for each outstanding share of common stock. Each right entitles the registered holder to purchase from the Company one common share at an exercise price of $30 per share. A right will also be issued with each common share that is issued prior to the time the rights become exercisable or expire.

The rights are not exercisable until after a person or group acquires 10% or more of the Company's common stock or announces a tender offer for 10% or more of the common stock except with respect to persons who already hold 10% in which case the threshold is any additional shares. In such events, each holder shall be entitled to purchase that number of shares of the Company's common stock having a market value equal to two times the $30 per share exercise price. In lieu of such right, the Board of Directors may issue one share of common stock for each right held by everyone except the acquiring person or group. In the event that the Company is acquired in a merger or other business combination transaction or more than 50% of its assets or earning power are sold, each holder shall thereafter have the right to receive, upon exercise of each right, that number of shares of common stock of the acquiring company which at the time of such transaction would have a market value of two times the $30 per share exercise price.

The Company is entitled to redeem the rights at five cents per right at any time before the rights are exercisable. The rights will expire on December 5, 1996 unless earlier redeemed by the Company.

NOTE 10 EMPLOYMENT BENEFIT PLAN

In 1985, the Company adopted a 401(k) Plan which is intended to provide the Company's employees with retirement and other benefits. All of the Company's employees who are at least 21 years old and have completed one year of service (1,000 hours in a 12 month period) with the Company were eligible to receive a Company matching contribution. The Company contributed $.50 for each $1.00 contributed by employees, up to a maximum Company matching contribution of $500 for fiscal 1995, 1994, and 1993. For fiscal years 1995, 1994, and 1993 the Company contributed $232,000, $281,000, and $212,000, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 10 EMPLOYMENT BENEFIT PLAN (CONTINUED)

On March 31, 1995, the Company merged its Employee Stock Ownership Plan into the Alpha Industries, Inc. Saving and Retirement Plan also known as the 401(K) plan. All of the Company's employees who are at least 21 years old and have completed six months of service (1,000 hours in a 12 month period) with the Company are eligible to receive a Company contribution. Company contributions are determined by the Company and may be in the form of cash or the Company's stock.

Under the previous Employee Stock Ownership Plan contributions were determined by the Board of Directors and contributed to a trust created to acquire shares of the Company's common stock and other assets for the exclusive benefit of the participants. The Company accrued a contribution of $226,000 for fiscal 1995 that is expected to be distributed during fiscal 1996. No contributions were made for fiscal years 1994 and 1993.

NOTE 11 COMMITMENTS AND CONTINGENCIES

The Company has various operating leases for manufacturing and engineering equipment and buildings. Rent expense amounted to $1,255,000, $1,418,000, and $1,348,000, in fiscal years 1995, 1994, and 1993, respectively. Purchase options may be exercised at various times for some of these leases. Future minimum rent expense under these leases is as follows (in thousands):

FISCAL YEAR	
1996	$ 826
1997	748
1998	523
1999	58
2000	58
Thereafter	465
	$ 2,678

The Company has been notified by federal and state environmental agencies of its potential liability with respect to the following two sites: the Spectron, Inc. Superfund site in Elkton, Maryland; and the Seaboard Chemical Corporation site in Jamestown, North Carolina. In each case several hundred other companies have also been notified about their potential liability regarding these sites. The Company continues to deny that it has any responsibility with respect to these sites other than as a de minimis party. Management is of the opinion that the outcome of the aforementioned environmental matters will not have a material effect on the Company's operations.

The Company is party to suits and claims arising in the normal course of business. Management believes these are adequately provided for or will result in no significant additional liability to the Company.

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Alpha Industries, Inc.:

We have audited the consolidated financial statements of Alpha Industries, Inc. and subsidiaries as listed in the accompanying index under Item 8. In connection with our audits of the consolidated financial statements, we have also audited the financial statement schedule as listed in the accompanying index under Item 14. These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Alpha Industries, Inc. and subsidiaries at April 2, 1995 and April 3, 1994, and the results of their operations and their cash flows for each of the years in the three-year period ended April 2, 1995, in conformity with generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

As discussed in Note 1 to the consolidated financial statements, the Company adopted the provisions of the Financial Accounting Standards Board's Statement of Accounting Standards No. 109, "Accounting for Income Taxes" in fiscal 1994.

KPMG Peat Marwick LLP

Boston, Massachusetts
May 12, 1995

ITEM 9 CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

PART III

ITEM 10 DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

See the section entitled "Election of Directors" appearing in the Company's Proxy Statement for the Annual Meeting of Stockholders to be held on September 11, 1995, to be filed within 120 days of the end of the Company's fiscal year, which section is incorporated herein by reference, and the section entitled "Executive Officers" under Item 1 of this Annual Report on Form 10-K.

ITEM 11 EXECUTIVE COMPENSATION

See the section entitled "Executive Compensation" appearing in the Company's Proxy Statement for the Annual Meeting of Stockholders to be held on September 11, 1995, which section is incorporated herein by reference.

ITEM 12 SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

See the section entitled "Securities Beneficially Owned by Certain Persons" appearing in the Company's Proxy Statement for the Annual Meeting of Stockholders to be held on September 11, 1995, which section is incorporated herein by reference.

ITEM 13 CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

See the section entitled "Certain Relationships and Related Transactions" appearing in the Company's Proxy Statement for the Annual Meeting of Stockholders to be held on September 11, 1995, which section is incorporated herein by reference.

PART IV

ITEM 14 EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) 1. Index to Financial Statements

The financial statements filed as part of this report are listed on the index appearing on page 10 .

2. Index to Financial Statement Schedules

The following financial statement schedule is filed as part of this report (page references are to this report):

Schedule II Valuation and Qualifying Accounts (page 34)

Other schedules are omitted because of the absence of conditions under which they are required or because the required information is given in the financial statements or notes thereto.

3. Exhibits

(3) Certificate of Incorporation and By-laws.

(a) Composite Certificate of Incorporation dated May 26, 1966 as amended March 21, 1967 and October 27, 1967 (Filed as Exhibits 3(a), (b) and (c) to Registrant's Registration Statement on

Form S-1 (Registration No. 2-27685)*, October 6, 1978 (Filed as Exhibit A to Proxy Statement dated July 27, 1978)*, October 22, 1979 (Filed as Exhibit (a)(3)(3) to Annual Report on Form 10-K for fiscal year ended March 31, 1981)*, September 30, 1981 (Filed as Exhibit 20(b) to Quarterly Report on Form 10-Q for quarter ended September 30, 1981)*, February 8, 1983 (Filed as Exhibit 19(a) to Quarterly Report on Form 10-Q for quarter ended December 31, 1983)*, December 3, 1985 (Filed as Exhibit 3(a) to Annual Report on Form 10-K for the year ended March 31, 1986)* and October 20, 1986 (Filed as Exhibit 3(a) to Annual Report on Form 10-K for the year ended March 31, 1987)*.

(b) Amended and restated By-laws of the Corporation dated April 30, 1992 (Filed as Exhibit 3(b) to the Annual Report on Form 10-K for the year ended March 29, 1992)*.

(4) Instruments defining rights of security holders, including indentures.

(a) Specimen Certificate of Common Stock (Filed as Exhibit 4(a) to Registration Statement on Form S-1 (Registration No. 2-25197))*.

(b) Frederick County Industrial Development Revenue Bond, Deed of Trust, Loan Agreement and Guaranty and Indemnification Agreement dated June 17, 1982 (Filed as Exhibit 4(g) to the Registration Statement on Form S-8 filed July 29, 1982)*. Bond and Loan Document Modification Agreement dated December 9, 1993 (Filed as Exhibit 4(c) to the Quarterly Report on Form 10-Q for the quarter ended December 26, 1993)*.

(c) Methuen, Massachusetts Industrial Revenue Mortgage, Indenture of Trust and Agreement among Massachusetts Industrial Finance Agency, Registrant and The First National Bank of Boston, as Trustee; Guaranty Agreement among Registrant, The First National Bank of Boston, as Trustee and Massachusetts Industrial Finance Agency dated as of August 1, 1984 and amended on November 20, 1990; and Agreement between Massachusetts Industrial Finance Agency and Registrant dated August 1, 1984 and amended November 20, 1990 (Original Agreement filed as Exhibit 4(b) to the Quarterly Report on Form 10-Q for the quarter ended September 30, 1984)* (Amendment filed as Exhibit 4(e) to the Quarterly Report on Form 10-Q for the quarter ended December 30, 1990)*.

(d) Line of Credit Agreement between Registrant and Silicon Valley Bank dated as of November 20, 1990 (Original Agreement filed as Exhibit 4(f) to the Quarterly Report on Form 10-Q for the quarter ended December 30, 1990)*; amended September 1, 1991 (Filed as Exhibit 4(f) to the Quarterly Report on Form 10-Q for the quarter ended September 29, 1991)*; amended September 8, 1992 (Filed as Exhibit 4(e) to the Quarterly Report on Form 10-Q for the quarter ended September 27, 1992)*; amended February 18, 1993 (Filed as Exhibit 4(e) to the Annual Report on Form 10-K for the year ended March 28, 1993)*, amended June 18, 1993 (Filed as Exhibit 4(e) to the Quarterly Report on Form 10-Q for the quarter ended October 2, 1994)*; amended September 3, 1993 (Filed as Exhibit 4(e) to the Quarterly Report on Form 10-Q for the quarter ended September 26, 1993)*; amended April 1, 1994 (Filed as Exhibit 4(e) to the Quarterly Report on Form 10-Q for the quarter ended July 3, 1994)* and further amended September 5, 1994 (Filed as Exhibit 4(e) to the Quarterly Report on Form 10-Q for the quarter ended October 2, 1994)*.

(e) Loan Contract dated January 21, 1985, First Amendment to Loan Contract dated October 11, 1985 and Second Amendment to Loan Contract dated December 19, 1986 each between Registrant, the City of Lawrence and the Lawrence Redevelopment Authority; Guaranty Agreement dated January 21, 1985 and First Amendment to Guaranty Agreement dated October 11, 1985, each between Registrant and the Lawrence Redevelopment Authority; and Urban Development Action Grant (UDAG) (Grant Number: B-84-AA-25-0142) and

Amendment thereto, each dated April 6, 1984 and each between the City of Lawrence and the United States Department of Housing and Urban Development (Filed as Exhibit 4(k) to the Annual Report on Form 10-K for the fiscal year ended March 31, 1986)*.

(f) Amended and Restated Rights Agreement dated as of November 24, 1986, as amended and restated July 3, 1990 and as further amended September 9, 1990 and September 24, 1990, between Registrant and The First National Bank of Boston, as Rights Agent (The July 3, 1990 restatement and the September 9, 1990 and September 24, 1990 amendments were filed as Exhibit 4 to the Current Report on Form 8-K dated July 3, 1990 and Exhibits 4(a) and 4(b) to the Current Report on Form 8-K dated September 18, 1990, respectively)*.

(g) Loan and Security Agreement dated December 15, 1993 between Trans-Tech, Inc., and County Commissioners of Frederick County (Filed as Exhibit 4(h) to the Quarterly Report on Form 10-Q for the quarter ended July 3, 1994)*.

(h) Stock Purchase Warrant for 50,000 shares of the Registrant's Common Stock issued to Silicon Valley Bank as of April 1, 1994 (Filed as Exhibit 4(i) to the Quarterly Report on Form 10-Q for the quarter ended July 3, 1994)*.

(i) Mortgage, Fixture Financing Statement and Assignment of Leases and Rents dated September 16, 1994 between The First National Bank of Boston, as Trustee, and Registrant and First Amendment to Mortgage, Fixture Financing Statement and Assignment of Leases and Rents dated October 12, 1994 between The First National Bank of Boston, as Trustee, and Registrant. Amendment No. 1 to Amended and Restated Guaranty Agreement dated September 16, 1994 between The First National Bank of Boston, as Trustee, The First National Bank of Boston and the Massachusetts Industrial Finance Agency (Filed as Exhibit 4(j) to the Quarterly Report on Form 10-Q for the quarter ended October 2, 1994)*.

(10) Material Contracts.

(a) Alpha Industries, Inc., 1986 Long-Term Incentive Plan as amended (Filed as Exhibit 10(a) to the Quarterly Report on Form 10-Q for the quarter ended October 2, 1994)*. (1)

(b) Alpha Industries, Inc., Employee Stock Purchase Plan as amended October 22, 1992 (Filed as Exhibit 10(b) to the Annual Report on Form 10-K for the fiscal year ended March 28, 1993)*. (1)

(c) SERP Trust Agreement between the Registrant and the First National Bank of Boston as Trustee dated April 8, 1991 (Filed as Exhibit 10(c) to the Annual Report on Form 10-K for the fiscal year ended March 31, 1991)*. (1)

(d) Digital Business Agreement between Digital Equipment Corporation and Registrant dated April 2, 1990. Master Lease Addendum (Ref. No. 6260) to Digital Business Agreement No. 3511900 between Digital Equipment Corporation and Registrant dated April 2, 1990 (Filed as Exhibit 10(g) to the Annual Report on Form 10-K for the fiscal year ended March 29, 1992)*.

(e) Common Stock Purchase Agreement dated November 8, 1990 between Registrant and Shamie Management Corporation (Filed as Exhibit 10(h) to the Annual Report on Form 10-K for the fiscal year ended March 29, 1992)*. (1)

(f) Alpha Industries, Inc., Long-Term Compensation Plan dated September 24, 1990 (Filed as Exhibit 10(i) to the Annual Report on Form 10-K for the fiscal year ended March 29, 1992)*; amended March 28, 1991 (Filed as Exhibit 10 (a) to the Quarterly Report on Form 10-Q for the quarter ended June 27, 1993)* and as further amended October 27, 1994. (1)

(g) Master Equipment Lease Agreement between AT&T Commercial Finance Corporation and the Registrant dated June 19, 1992 (Filed as Exhibit 10(j) to the Annual Report on Form 10-K for the fiscal year ended March 28, 1993)*.

(h) Employment Agreement dated October 1, 1990 between the Registrant and Martin J. Reid, as amended March 26, 1992 and amended January 19, 1993 (Filed as Exhibit 10(k) to the Annual Report on Form 10-K for the fiscal year ended March 28, 1993)* and amended August 10, 1993 (Filed as Exhibit 10(j) to the Quarterly Report on Form 10-Q for the quarter ended July 3, 1994)*. (1)

(i) Employment Agreement dated October 1, 1990 between the Registrant and George S. Kariotis, as amended May 15, 1991 and amended January 22, 1993 (Filed as Exhibit 10(l) to the Annual Report on Form 10-K for the fiscal year ended March 28, 1993)* and amended August 10, 1993 (Filed as Exhibit 10(k) to the Quarterly Report on Form 10-Q for the quarter ended July 3, 1994)*. (1)

(j) Employment Agreement dated October 1, 1990 between the Registrant and Patrick Daniel Gallagher, as amended March 24, 1992 and amended by Second Amendment dated September 29, 1992 and Third Amendment dated January 20, 1993 (Filed as Exhibit 10(m) to the Annual Report on Form 10-K for the fiscal year ended March 28, 1993)* and Fourth Amendment dated August 3, 1994 (Filed as Exhibit 10(l) to the Quarterly Report on Form 10-Q for the quarter ended October 2, 1994)*. (1)

(k) Employment Agreement dated April 28, 1994 between the Registrant and Joseph J. Alberici. (Filed as Exhibit 10(o) to the Annual Report on Form 10-K for the fiscal year ended April 3, 1994)*; and further amended August 3, 1994 (Filed as Exhibit 10(n) to the Quarterly Report on Form 10-Q for the quarter ended October 2, 1994)*. (1)

(l) Consulting Agreement dated August 13, 1992 between the Registrant and Sidney Topol. (Filed as Exhibit 10(p) to the Annual Report on Form 10-K for the fiscal year ended April 3, 1994)*. (1)

(m) Employment Agreement dated August 3, 1994 between the Registrant and Thomas C. Leonard (Filed as Exhibit 10(p) to the Quarterly Report on Form 10-Q for the quarter ended October 2, 1994)*. (1)

(n) Master Lease Agreement between Comdisco, Inc. and the Registrant dated September 16, 1994 (Filed as Exhibit 10(q) to the Quarterly Report on Form 10-Q for the quarter ended October 2, 1994)*.

(o) Alpha Industries, Inc., 1994 Non-Qualified Stock Option Plan for Non-Employee Directors (Filed as Exhibit 10(r) to the Quarterly Report on Form 10-Q for the quarter ended October 2, 1994)*. (1)

(p) Alpha Industries Executive Compensation Plan dated January 1, 1995 and Trust for the Alpha Industries Executive Compensation Plan dated January 3, 1995. (1)

(q) Letter of Employment dated January 24, 1995 between the Registrant and David J. Aldrich. (1)

(r) Alpha Industries, Inc. Savings and Retirement Plan dated March 31, 1995. (1)

(11) Statement re computation of per share earnings.

(21) Subsidiaries of the Registrant.

(23) Consent of Independent Auditors.

(27) Financial Data Schedule.

(b) Reports on Form 8-K

The Company filed a report on Form 8-K with the Securities and Exchange Commission on January 30, 1995 reporting under Item 5 - Other Events the resignation of Gerald T. Cameron, Sr. as director effective January 4, 1995.

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*Not filed herewith. In accordance with Rule 12b-32 promulgated pursuant to the Securities Exchange Act of 1934, as amended, reference is hereby made to documents previously filed with the Commission, which are incorporated by reference herein.

(1) Management Contracts.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ALPHA INDUSTRIES, INC.
(REGISTRANT)

By: /s/ MARTIN J. REID

Martin J. Reid, President

Date: June 30, 1995

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on June 30, 1995.

SIGNATURE AND TITLE	SIGNATURE AND TITLE
/s/ GEORGE S. KARIOTIS --- George S. Kariotis Chairman of the Board	/s/ ARTHUR PAPPAS --- Arthur Pappas Director
/s/ MARTIN J. REID --- Martin J. Reid Chief Executive Officer President and Director	/s/ RAYMOND SHAMIE --- Raymond Shamie Director
/s/ DAVID J. ALDRICH --- David J. Aldrich Chief Financial Officer Principal Financial Officer	/s/ SIDNEY TOPOL --- Sidney Topol Director
/s/ PAUL E. VINCENT --- Paul E. Vincent Controller Chief Accounting Officer	

SCHEDULE II

VALUATION AND QUALIFYING ACCOUNTS
(In thousands)

DESCRIPTION	BALANCE AT BEGINNING OF YEAR	CHARGED TO COSTS AND EXPENSES	DEDUCTIONS	BALANCE AT END OF YEAR
Year ended April 2, 1995				
Allowance for doubtful accounts	$ 945	$ 60	$ 222	$ 783
Allowance for estimated losses on contracts	$ 593	$ --	$ 476	$ 117
Year ended April 3, 1994				
Allowance for doubtful accounts	$ 293	$ 663	$ 11	$ 945
Allowance for estimated losses on contracts	$ 448	$ 145	$ --	$ 593
Year ended March 28, 1993				
Allowance for doubtful accounts	$ 295	$ 70	$ 72	$ 293
Allowance for estimated losses on contracts	$ 899	$ --	$ 451	$ 448

AMENDMENT TO ALPHA INDUSTRIES, INC.
LONG-TERM COMPENSATION PLAN EXHIBIT 10(f)

This is an amendment dated as of this 27th day of October, 1994 of the Alpha Industries, Inc. Long-Term Compensation Plan.

INTRODUCTION

The Board of Directors of Alpha Industries, Inc. adopted a Long-Term Compensation Plan dated September 24, 1990 to provide an integrated executive compensation strategy for senior executives which Plan was amended March 28, 1991. Questions of interpretation have come up which have been considered by the Board of Directors. In order to clarify the Plan, the Board has agreed to amend the Plan effective as of the date of adoption in the manner set forth below.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the Plan is hereby amended as follows:

1. The definition of "Annuity Equivalent of Stock Options" in Section 1.3 is amended by deleting the same in its entirety and substituting the following: "Annuity Equivalent of Stock Options" means the annual benefit payable under a single life annuity, with payment commencing at the Participant's Normal Retirement Date, which could be purchased using the Option Exercise Proceeds for all Options previously exercised by the Participant and/or available for exercise by the Participant upon his retirement plus, in a case of Participants who have separated from employment, all options available for exercise by the Participant on the date of termination and, in the case of a Change of Control, all Options available for exercise by the Participant on the effective date of the Change of Control.

2. The definition of "Option Exercise Proceeds" in Section 1.3 is amended by adding a new subsection as follows:

   "(iv) the expiration date of any Options not exercised."

3. The definition of "Years of Service" in Section 1.3 is amended by adding thereto the following sentences: "A Participant who is on an approved leave of absence or is working less than full time on an approved basis shall be given credit for a partial year of service on a pro rata basis based on the number of hours worked during the relevant twelve month period. Any benefits measured by "Years of Service" shall be adjusted to reflect the Participant's partial Year(s) of Service, if any.

Date of approval by the Board of Directors: October 27, 1994

ATTEST:

/s/ DONALD E. PAULSON
- ----------------------------------
Donald E. Paulson, Secretary

Exhibit 10(p)

ALPHA INDUSTRIES EXECUTIVE COMPENSATION PLAN

ARTICLE 1. - INTRODUCTION

1.1. PURPOSE OF PLAN

The Employer has adopted the Plan set forth herein to provide a means by which certain employees may elect to defer receipt of designated percentages or amounts of their Compensation and to provide a means for certain other deferrals of compensation.

1.2. STATUS OF PLAN

The Plan is intended to be "a plan which is unfunded and is maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees" within the meaning of Sections 201(2) and 301(a)(3) of the Employee Retirement Income Security Act of 1974 ("ERISA"). To the extent possible, it shall be interpreted and administered in a manner consistent with that intent.

ARTICLE 2. - DEFINITIONS

Wherever used herein, the following terms have the meanings set forth below, unless a different meaning is clearly required by the context:

2.1. ACCOUNT means, for each Participant, the account established for his or her benefit under Section 5.1.

2.2. ADDITIONAL EMPLOYER CONTRIBUTION means a discretionary contribution made by The Employer, as described in Section 4.2.

2.3. CHANGE OF CONTROL means (a) the purchase or other acquisition in one or more transactions other than from the Employer, by any individual, entity or group of persons, within the meaning of section 13(d)(3) or 14(d) of the Securities Exchange Act of 1934 or any comparable successor provisions, of beneficial ownership (within the meaning of Rule 13d-3 of Securities Exchange Act of 1934) of 30 percent or more of either the outstanding shares of common stock or the combined voting power of the Employer's then outstanding voting securities entitled to vote generally, or (b) the approval by the stockholders of the employer of a reorganization, merger, or consolidation, in each case, with respect to which persons who were stockholders of the Employer immediately prior to such reorganization, merger or consolidation do not immediately thereafter own more than 50 percent of the combined voting power of the reorganized, merged or consolidated Employer's then outstanding securities that are entitled to vote generally in the election of directors or (c) the sale of substantially all of the Employer's assets.

2.4. CODE means the Internal Revenue Code of 1986, as amended from time to time. Reference to any section or subsection of the Code includes reference to any comparable or succeeding provisions of any legislation which amends, supplements or replaces such section or subsection.

2.5. COMPENSATION with regard to Participant means his or her wages, salaries, fees for professional services and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the Employer or an Affiliate to the extent that the amounts are includable in gross income, including,

but not limited to, commissions paid to salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, reimbursements, and expense allowances, but only to the extent that such amounts are included in income, and not including those items excludable from the definition of compensation under Treas. Reg., Section 1.415-2(d)(3), or any successor or replacement provision.

2.6. COMPENSATION COMMITTEE means the Board of Directors or such person or persons as may be designated by the Board of Directors to serve as the Compensation Committee hereunder.

2.7. EFFECTIVE DATE means January 1, 1995.

2.8. ELECTION FORM means the participation election form as approved and prescribed by the Plan Administrator.

2.9. ELECTIVE DEFERRAL means the portion of Compensation which is deferred by a Participant under Section 4.1.

2.10. ELIGIBLE EMPLOYEE means, on the Effective Date or on any Entry Date thereafter, each key employee of the Employer selected by the Compensation Committee.

2.11. EMPLOYER means Alpha Industries, Inc., located at 20 Sylvan Rd., Woburn, MA 01801, any successor to all or a major portion of the Employer's assets or business which assumes the obligations of the Employer, and each other entity that is affiliated with the Employer which adopts the Plan with the consent of the Employer.

2.12. ERISA means the Employee Retirement Income Security Act of 1974, as amended from time to time. Reference to any section or subsection of ERISA includes reference to any comparable or succeeding provisions of any legislation which amends, supplements or replaces such section or subsection.

2.13. INSOLVENT means either (i) the Employer is unable to pay its debts as they become due, or (ii) the Employer is subject to a pending proceeding as a debtor under the United States Bankruptcy Code.

2.14. PARTICIPANT means any individual who participates in the Plan in accordance with Article 3.

2.15. PLAN means this Plan as it may be amended from time to time.

2.16. PLAN ADMINISTRATOR means the Employer, or such person as the Employer designates, from time to time, in a writing attached to this Plan.

2.17. PLAN YEAR means the calendar year.

2.18. RETIREMENT AGE means 55 years of age.

2.19. TOTAL AND PERMANENT DISABILITY means the inability of a Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months, and the permanence and degree of which shall be supported by medical evidence satisfactory to the Plan Administrator.

2.20. TRUST means the trust established by the Employer that identifies the Plan as a plan with respect to which assets are to be held by the Trustee.

2.21. TRUST AGREEMENT means the agreement between the Employer and the Trustee establishing the Trust.

2.22. TRUSTEE means the trustee or trustees under the Trust.

2.23. YEAR OF SERVICE means a computation period and service requirement that may be established by the Employer with notice to the Participants.

ARTICLE 3. - PARTICIPATION

3.1. COMMENCEMENT OF PARTICIPATION

Any individual who elects to defer part of his or her compensation in accordance with Section 4.1 shall become a Participant in the Plan as of the date such deferrals commence in accordance with Section 4.1.

Any individual who is not already a Participant and whose Account is credited with an Additional Employer Contribution shall become a Participant as of the date such amount is credited.

3.2. CONTINUED PARTICIPATION

A Participant in the Plan shall continue to be a Participant so long as any amount remains credited to his or her Account.

ARTICLE 4. - ELECTIVE AND ADDITIONAL EMPLOYER CONTRIBUTIONS

4.1. ELECTIVE DEFERRALS

An individual who is an Eligible Employee on the Effective Date may, by completing an Election Form and filing it with the Plan Administrator within 30 days following the Effective Date, elect to defer a percentage or dollar amount of one or more payments of Compensation, on such terms as the Plan Administrator pay permit, which are payable to the Participant after the date on which the individual files the Election Form. Any individual who becomes an Eligible Employee after the Effective Date may, be completing an Election Form and filing it with the Plan Administrator within 30 days following the date on which the Plan Administrator gives such individual written notice that the individual is an Eligible Employee, elect to defer a percentage or dollar amount of one or more payments of Compensation, on such terms as the Plan Administrator may permit, which are payable to the Participant after the date on which the individual files the Election Form. Any eligible Employee who has not otherwise initially elected to defer compensation in accordance with this paragraph 4.1 may elect to defer a percentage or dollar amount of one or more payments of Compensation, on such terms as the Plan Administrator may permit, commencing with compensation paid in the next succeeding Plan Year, by completing an Election Form prior to the first day of such succeeding Plan Year. In addition, a Participant may defer all or part of the amount of any elective deferral or matching contribution made on his or her behalf to the Employer's 401(i) plan for the prior Plan Year but treated as an excess deferral, an excess contribution or otherwise limited by the application of the limitations of sections 401(k), 401(m), 415 or 402(q) of the code, so long as the Participant so indicates on an Election Form. A Participant's Compensation shall be reduced in accordance with the Participant's election hereunder and amounts deferred hereunder shall be paid by the

employer to the trust as soon as administratively feasible and credited to the Participant's Account as of the date the amounts are received by the Trustee.

An election to defer a percentage or dollar amount of Compensation for any Plan Year shall apply for subsequent Plan Years unless changed or revoked. A Participant may change or revoke his or her deferral election as of the first day of any Plan Year by giving written notice to the Plan Administrator before such first day (or any such earlier date as the Plan Administrator may prescribe).

4.2. ADDITIONAL EMPLOYER CONTRIBUTIONS

The Employer may, in its sole discretion, make Additional Employer Contributions to the account of Eligible Employees on such terms as the Employer shall specify at the time it makes the contribution. To the extent that they conflict with the provisions of this Plan, the terms specified by the Employer shall supersede any other provision of this Plan with regard to such Additional Employer Contributions, and earnings or losses with respect thereto. If the Employer does not specify a method of distribution, the Additional Employer Contribution shall be distributed in a manner consistent with the election last made by the particular Participant prior to the year in which the Additional Employer Contribution is made. The Employer, in its discretion, may permit the Participant to designate a distribution schedule for a particular Additional Employer Contribution provided that such designation is made prior to the time that the Employer finally determines that the Participant will receive the Additional Employer Contribution.

ARTICLE 5. - ACCOUNTS

5.1. ACCOUNTS

The Plan Administrator shall establish an Account for each participant reflecting Elective Deferrals, and Additional Employer Contributions, if any, made for the Participant's benefit together with any adjustments for income, gain or loss and any payments from the Account. In its discretion, the Plan Administrator may solicit recommended investments from each Participant and may maintain records of the income, gain or loss attributable to the Participant's account in accordance with the performance of such recommended investments or such other investments as the Plan Administrator may select. In its discretion, the Plan Administrator may cause the Trustee to maintain and invest separate asset accounts corresponding to each Participant's Account. The Plan Administrator shall establish sub-accounts for each Participant that has more than one election in effect under Section 7 and such other subaccounts as are necessary for the proper administration of the Plan. As of the last business day of each calendar quarter, the Plan Administrator shall provide the Participant with a statement of his or her Account reflecting the income, gains and losses (realized and unrealized), amounts of deferrals, and distributions of such Account since the prior statement.

5.2. INVESTMENTS

So long as the Employer is not insolvent, and subject to the provisions of the Trust Agreement, the assets of the Trust shall be invested in such investments as the Company shall determine. In the Company's discretion, it may designate one or more agents in writing to the Trustee, which agents may be designated with respect to all or a portion of the assets held by the Trustee for the purpose of making such investments.

ARTICLE 6. - VESTING

Subject to the provisions of Section 10.1, a Participant shall have a vested right to all Elective Deferrals and all income and gain attributable thereto, reduced by losses, if any, as are credited to his or her Account. If the Employer chooses to make Additional Employer Contributions, then each Participant's right to the portion of his or her Account attributable to Additional Employer Contributions and income and gain attributable thereto, reduced by losses, if any, shall be in accordance with terms determined by the Employer and provided to the Participant.

ARTICLE 7. - PAYMENTS

7.1. ELECTION AS TO TIME AND FORM OF PAYMENT

A Participant shall elect (on the election Form used to elect to defer Compensation under Section 4.1) the date at which the Elective Deferrals and vested Additional Employer Contributions, if any, including any earnings attributable thereto, reduced by losses, if any, will be paid to the Participant. The Participant shall also elect thereon for payment to be paid in either:

a. a single lump-sum payment; or

b. annual installments over a period elected by the Participant up to 10 years, the amount of each annual installment to equal the then balance of all of the Participant's Account attributable to Elective Deferrals and any earnings attributable thereto, reduced by losses, if any, and the vested portion of any Additional Employer Contributions and earnings attributable thereto, reduced by losses, if any, as determined immediately prior to the payment of the installment, and divided by the number of installments then remaining to be paid.

Each such election will be effective for the Plan Year for which it is made and succeeding Plan Years, unless changed by the Participant. Except as explicitly provided herein, any change will be effective only for Elective Deferrals and Additional Employer Contributions made for the first Plan Year beginning after the date on which the Election Form containing the change is filed with the Plan Administrator. Notwithstanding the preceding sentence, the payments due in any calendar year pursuant to this Section 7.1 shall be paid in the first full calendar month immediately following the actual date that the Participant ceases being an employee of the Employer, or the twelve month period commencing in that month, rather than the month or year originally selected, if the Participant makes an election in such form as the Plan Administrator may require, and the election is filed with the Plan Administrator prior to the calendar year in which the payment otherwise would have been made. Except as provided in Sections 7.2, 7.3, 7.4 or 7.5, or any schedule provided by the Employer to the Participant for Additional Employer Contributions and income or gain attributable thereto, reduced by losses, if any, payment of a Participant's Account shall be made in accordance with the Participant's elections as provided in this Section 7.1.

7.2. CHANGE OF CONTROL

Unless (i) the Board of Directors of the Employer shall vote to continue this Plan on substantially the same terms not later than 60 days after a Change in Control and send notice of such vote to each Participant, then (ii) as soon as possible following a Change of Control of Employer, each Participant shall be paid all of the Participant's Account attributable to Elective Deferrals and any earnings attributable thereto, reduced by losses, if any, and all of any Additional Employer Contributions and earnings attributable thereto, reduced by losses, if any, (whether or not considered vested for any other purpose hereunder) in a single lump sum.

7.3. TERMINATION OF EMPLOYMENT; TOTAL AND PERMANENT

DISABILITY

Except as provided in Section 7.2, upon termination of a Participant's employment prior to the Retirement Age, for any reason other than death or Permanent and Total Disability, all of the Participant's Account attributable to Elective Deferrals and any earnings attributable thereto, reduced by losses, if any, and the vested portion of any Additional Employer Contributions and earnings attributable thereto, reduced by losses, if any, shall be paid to the Participant in a single lump sum as soon as practicable following the date of such termination. If a Participant suffers permanent and total disability, whether or not employed by the Employer at that time, the Plan Administrator, in its sole discretion, may pay out all of the Participant's Account attributable to Elective Deferrals and any earnings attributable thereto, reduced by losses, if any, and the vested portion of any Additional Employer Contributions and earnings attributable thereto, reduced by losses, if any, in a lump sum, or in annual installments, regardless of any election made by the Participant and regardless of whether payments have already commenced under Section 7.1.

7.4. DEATH

If a Participant dies prior to the complete distribution of his or her Account, all of the Participant's Account attributable to Elective Deferrals and any earnings attributable thereto, reduced by losses, if any, and the vested portion of any Additional Employer Contributions and earnings attributable thereto, reduced by losses, if any, shall be paid as soon as practicable to the Participant's designated beneficiary or beneficiaries, in the form elected by the Participant under either of the following options:

a. a single lump-sum payment; or

b. annual installments over a period elected by the Participant up to 10 years, the amount of each annual installment to equal the then balance of all of the Participant's Account attributable to Elective Deferrals and any earnings attributable thereto, reduced by losses if any, and the vested portion of any Additional Employer Contributions and earnings attributable thereto, reduced by losses, if any, as determined immediately prior to the payment of the installment, and divided by the number of installments then remaining to be paid.

Any designation of beneficiary and form of payment to such beneficiary shall be made by the Participant on an Election form filed with the Plan Administrator and may be changed by the participant at any time by filing another Election Form containing the revised instructions. If no beneficiary is designated or no designated beneficiary survives the Participant, payment shall be made to the Participant's surviving spouse, or, if none, to his or her issue per stripes, in a single payment. If no spouse or issue survives the Participant, payment shall be made in a single lump sum to the Participant's estate.

7.5. UNFORESEEN EMERGENCY

If a Participant suffers an unforeseen emergency, as defined herein, the Plan Administrator, in its sole discretion, may pay to the Participant up to and including the total of that portion, if any, of all of the Participant's Account attributable to Elective Deferrals and any earnings attributable thereto, reduced by losses, if any, and the vested portion of any Additional Employer Contributions and earnings attributable thereto, reduced by losses, if any. The determination of the amount to be paid shall equal that amount which the Plan Administrator determines, in its sole discretion, is necessary to satisfy the emergency need, including any amounts necessary to pay any federal, state or local income taxes reasonably anticipated to result from the distribution. A Participant requesting an emergency payment shall apply for the payment in writing in a form approved by the Plan Administrator and shall provide such additional information as the Plan

Administrator may require. For purposes of this paragraph, "unforeseen emergency" means an immediate and heavy financial need resulting from any of the following:

a. expenses which are not covered by insurance and which the Participant or his or her spouse or dependent has incurred as a result of, or is required to incur in order to receive, medical care;

b. the need to prevent eviction of a Participant from his or her principal residence or foreclosure on the mortgage of the Participant's principal residence; or

c. any other circumstance that is determined by the Plan Administrator in its sole discretion to constitute an unforeseen emergency which is not covered by insurance and which cannot reasonably be relieved by the liquidation of the Participant's assets.

7.6. FORFEITURE OF NON-VESTED AMOUNTS

Any amounts credited to a Participant's Account which are attributable to the non-vested portion of any Additional Employer Contributions, and earnings attributable thereto, reduced by losses, if any, not vested at the time payments are commenced pursuant to Sections 7.1, 7.3 or 7.4, shall be forfeited by the Participant at the time payment begins under such Sections, and may be applied by the Company as it sees fit, which may include satisfying the Employer's obligation to make contributions to the Trust.

7.7. TAXES

The Plan Administrator shall withhold or otherwise appropriately provide for all federal, state or local taxes that the Plan Administrator determines are required to be withheld or otherwise provided for from any payments made pursuant to this Article 7.

ARTICLE 8. - PLAN ADMINISTRATOR

8.1. PLAN ADMINISTRATION AND INTERPRETATION

The Plan Administrator shall oversee the administration of the Plan. The Plan Administrator shall have complete control and authority to determine the rights and benefits of any and all Participants. Any determinations may be made on a case-by-case basis or a plan wide basis, as determined by the Plan Administrator in its sole discretion, including all claims, demands and actions arising out of the provisions of the Plan of any Participant, beneficiary, deceased Participant, or other person having or claiming to have any interest under the Plan. The Plan Administrator shall have complete discretion to interpret the Plan and to decide all matters under the Plan. Such interpretation and decision shall be final, conclusive and binding on all Participants and any person claiming under or through any Participant. Any individual who is a Participant and who is serving as Plan Administrator or part of a committee comprising the Plan Administrator will not vote or act on any matter relating solely to himself or herself. When making a determination or calculation, the Plan Administrator shall be entitled to rely on information furnished by a Participant, a beneficiary, the employer or the Trustee, or such other persons, as it sees fit. The Plan Administrator shall have the responsibility for complying with any reporting and disclosure requirements of ERISA.

8.2. POWERS, DUTIES, PROCEDURES, ETC.

The Plan Administrator shall have such powers and duties, may adopt such rules and tables, may act in accordance with such procedures, may appoint such officers or agents, may delegate such

powers and duties, may receive such reimbursements and compensation, and shall follow such claims and appeal procedures with respect to the Plan as it may establish.

8.3. INDEMNIFICATION OF PLAN ADMINISTRATOR

The Employer agrees to indemnify and to defend to the fullest extent permitted by law any officer(s) or employee(s) who serve as Plan Administrator (including any such individual who formerly served as Plan Administrator) against all liabilities, damages, costs and expenses (including attorneys' fees and amounts paid in settlement of any claims approved by the Employer) occasioned by any act or omission to act in connection with the Plan, if such act or omission is in good faith.

ARTICLE 9. - AMENDMENT AND TERMINATION

9.1. AMENDMENTS

The Employer shall have the right to amend the Plan from time to time, subject to Section 9.3, by an instrument in writing which has been executed on the employer's behalf by its duly authorized officer.

9.2. TERMINATION OF PLAN

This Plan is strictly a voluntary undertaking on the part of the employer and shall not be deemed to constitute a contract between the Employer and any eligible Employee (or any other employee) or a consideration for, or an inducement or condition of employment for, the performance of the services by any eligible employee (or other employee). The employer reserves the right to terminate the Plan at any time, subject to Section 9.3, by an instrument in writing which has been executed on the Employer's behalf by its duly authorized officer. Upon termination, the employer may (a) elect to continue to maintain the Trust to pay benefits hereunder as they become due as if the Plan had not terminated or (b) direct the Trustee to pay promptly to Participants (or their beneficiaries) all of the Participant's Account attributable to Elective Deferrals and any earnings attributable thereto, reduced by losses, if any, and the vested portion of any Additional Employer Contributions and earnings attributable thereto, reduced by losses, if any,. After Participants and their beneficiaries are paid all Plan benefits to which they are entitled, all remaining assets of the Trust shall be returned to the Employer.

9.3. EXISTING RIGHTS

No amendment or termination of the Plan shall adversely affect the rights of any Participant with respect to all of the Participant's Account attributable to Elective Deferrals and any earnings attributable thereto, reduced by losses, if any, and the vested portion of any Additional Employer Contributions and earnings attributable thereto, reduced by losses, if any, on the date of such amendment or termination.

ARTICLE 10. - MISCELLANEOUS

10.1. PARTICIPANTS ARE UNSECURED CREDITORS

The Plan constitutes a mere promise by the Employer to make payments in accordance with the terms of the Plan and Participants and beneficiaries shall have the status of general unsecured creditors of the Employer. Nothing in the Plan will be construed to give any employee or any other person rights to any specific assets of the Employer or of any other person. In all events, it is the intent of the Employer that the Plan be treated as unfunded for tax purposes and for purposes of ERISA.

10.2. NON-ASSIGNABILITY

The benefits, payments, proceeds or claims of any Participant or beneficiary are not subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumberance, attachment, or garnishment by creditors of any Participant or any beneficiary of any Participant, nor shall any Participant or beneficiary have any right to anticipate, sell, transfer, assign, pledge, or encumber any of the benefits or payments or proceeds which he or she may expect to receive, contingently or otherwise, under the Plan.

10.3. LIMITATION OF PARTICIPANTS' RIGHTS

Nothing contained in the Plan shall confer upon any person a right to be employed or to continue in the employ of the Employer, or interfere in any way with the right of the Employer to terminate the employment of a Participant in the Plan at any time, with or without cause.

10.4. PARTICIPANTS BOUND

Any action with respect to the Plan taken by the Plan Administrator or the Employer or the Trustee or any action authorized by or taken at the direction of the Plan Administrator, the employer or the Trustee shall be conclusive upon all Participants and beneficiaries entitled to benefits under the Plan.

10.5. RECEIPT AND RELEASE

Any payment to any Participant or beneficiary in accordance with the provisions of the Plan shall, to the extent thereof, be in full satisfaction of all claims against the employer, the Plan Administrator and the Trustee under the Plan, and the Plan Administrator may require such Participant or beneficiary, as a condition precedent to such payment, to execute a receipt and release to such effect. If any Participant or beneficiary is determined by the Plan Administrator to be incompetent by reason of physical or mental disability (including minority) to give a valid receipt and release, the Plan Administrator may cause the payment or payments becoming due to such person to be made to another person for his or her benefit without responsibility on the part of the Plan Administrator the employer or the Trustee to follow the application of such funds.

10.6. GOVERNING LAW

The Plan shall be construed, administered, and governed in all respects under and by the laws of the Commonwealth of Massachusetts. If any provision shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions hereof shall continue to be fully effective.

10.7. HEADINGS AND SUBHEADINGS

Headings and subheadings in this Plan are inserted for convenience only and are not to be considered in the construction of the provisions hereof.

Exhibit 10(p)

TRUST FOR THE ALPHA INDUSTRIES EXECUTIVE COMPENSATION PLAN

This Agreement made this day of January 3, 1995 by and between Alpha Industries, Inc. ("Company") and Merrill Lynch, an Illinois corporation (Trustee);

WHEREAS, Company has adopted a nonqualified deferred compensation Plan with the name "The Alpha Industries Executive Compensation Plan".

WHEREAS, Company has incurred or expects to incur liability under the terms of such Plan with respect to the individuals participating in such Plan.

WHEREAS, Company wishes to establish a trust (the "Trust") and to contribute to the Trust assets that shall be held therein, subject to the claims of Company's Insolvency, as herein defined, until paid to Plan participants and their beneficiaries in such manner and at such time as specified in the Plan;

WHEREAS, it is the intention of the parties that this Trust shall constitute an unfunded arrangement and shall not affect the status of the Plan as an unfunded plan maintained for the purpose of providing deferred compensation for a select group of management or highly compensated employees for purpose of Title I of the Employee Retirement Income Security Act of 1974.

WHEREAS, it is the intention of Company to make contributions to the Trust to provide itself with a source of funds to assist it in the meeting of its liabilities under the Plan;

NOW, THEREFORE, the parties do hereby establish the Trust and agree that the Trust shall be comprised, held and disposed of as follows:

Section 1. Establishment of Trust

(a.) Company hereby deposits with Trustee in trust such cash and/or marketable securities, if any, listed in Appendix A, which shall become the principal of the Trust to be held, administered and disposed of by Trustee as provided in this Trust Agreement.

(b.) The Trust hereby established is revocable; it shall become irrevocable upon a Change in Control, as defined herein.

(c.) The Trust is intended to be a grantor trust, of which Company is the grantor, within the meaning of subpart E, part I, subchapter J, chapter 1, subtitle A of the Internal Revenue Code of 1986, as amended, and shall be construed accordingly.

(d.) The principal of the Trust, and any earnings thereon, shall be held separate and apart from other funds of Company and shall be used exclusively for the uses and purposes of Plan participants and general creditors as herein set forth. Plan participants and their beneficiaries shall have no preferred claim on, or any beneficial ownership interest in, any assets of the Trust. Any rights created under the Plan and this Trust Agreement shall be mere unsecured contractual rights of Plan participants and their beneficiaries against Company. Any assets held by the Trust

will be subject to the claims of Company's general creditors under federal and state law in the event of Insolvency, as defined in Section 3(a) herein.

(e.) Company, in its sole discretion, may at any time, or from time to time, make additional deposits of cash or other property in trust with Trustee to augment the principal to be held, administered and disposed of by Trustee as provided in this Trust Agreement. Neither Trustee nor any Plan participant or beneficiary shall have any right to compel such additional deposits.

(f.) Trustee shall not be obligated to receive property unless prior thereto Trustee has agreed that such property is acceptable to Trustee and Trustee has received such reconciliation, allocation, investment or other information concerning, or representation with respect to, the property as Trustee may require. Trustee shall have no duty or authority to (a) require any deposits to be made under the Plan or to Trustee, (b) compute any amount to be deposited under the Plan to Trustee, or (c) determine whether amounts received by Trustee comply with the Plan. Assets of the Trust may, in Trustee's discretion, be held in an account with an affiliate of Trustee.

Section 2. Accounting for and Payments to Plan Participants and Their Beneficiaries.

(a.) At the request of the Company, the Trustee shall maintain and invest separate asset accounts corresponding to each participant, and such sub-accounts thereunder as may be requested by the Company. As of the last business day of each calendar quarter, the Trustee shall provide the Company with a statement of each participant's account reflecting the income, gains and losses (realized and unrealized), amounts of deferrals, and distributions of such account since the prior statement.

(b.) With respect to each Plan participant Company shall deliver to Trustee a schedule (the "Payment Schedule") that indicates the amounts payable in respect of the participant (and his or her beneficiaries), that provides a formula or other instructions acceptable to Trustee for determining the amounts so payable, the form in which such amount is to be paid (as provided for or available under the Plan), and the time of commencement for payment of such amounts. The Payment Schedule shall be delivered to Trustee not more than 30 business days not fewer than 15 business days prior to the first date on which a payment is to be made to the Plan participant. Any change to a Payment Schedule shall be delivered to Trustee not more than 30 days nor fewer than 15 days prior to the date on which the first payment is to be made in accordance with the changed Payment Schedule. Except as otherwise provided herein, Trustee shall make payments to Plan participants and their beneficiaries in accordance with such Payment Schedule. The Trustee shall make provisions for the reporting and withholding of any federal, state or local taxes that may be required to be withheld with respect to the payment of benefits pursuant to the terms of the Plan and shall pay amounts withheld to the appropriate taxing authorities or determine that such amounts have been reported, withheld and paid by Company, it being understood among the parties hereto that (1) Company shall on a timely basis provide Trustee specific information as to the amount of taxes to be withheld and (2) Company shall be obligated to receive such withheld taxes from Trustee and properly pay and report such amounts to the appropriate taxing authorities.

(c.) The entitlement of a Plan participant or his or her beneficiaries to benefits under the Plan shall be determined by Company or such party as it shall designate under the Plan, and any claim for such benefits shall be considered and reviewed under the procedures set out in the Plan.

(d.) Company may make payment of benefits directly to Plan participants or their beneficiaries as they become due under the terms of the Plan, Company shall notify Trustee of its decision to make payment of benefits directly prior to the time amounts are payable to participants or their beneficiaries. In addition, if the principal of the Trust, and any earnings thereon, are not sufficient to make payments of benefits in accordance with the terms of the Plan, Company shall make the balance of each payment as it falls due. Trustee shall notify Company where principal and earnings are not sufficient.

(e.) Trustee shall have no responsibility to determine whether the Trust is sufficient to meet the liabilities under the Plan, and shall not be liable for payments or Plan liabilities in excess of the value of the Trust's assets.

Section 3. Trustee Responsibility Regarding Payments to Trust Beneficiary When Company Is Insolvent.

(a.) Trustee shall cease payment of benefits to Plan participants and their beneficiaries if the Company is Insolvent. Company shall be considered "Insolvent" for purposes of this Trust Agreement if (i) Company is unable to pay its debts as they become due, or (ii) Company is subject to a pending proceeding as a debtor under the United States Bankruptcy Code.

(b.) At all times during the continuance of this Trust, as provided in Section 1(d) hereof, the principal and income of the Trust shall be subject to claims of general creditors of Company under federal and state law as set forth below.

(1.) The Board of Directors and the Chief Executive Officer of Company (or, if there is no Chief Executive Officer, the highest ranking officer) shall have the duty to inform Trustee in writing of Company's Insolvency. If a person claiming to be a creditor of Company alleges in writing to Trustee that Company has become Insolvent, Trustee shall promptly notify Company of such allegation, shall determine whether Company is Insolvent, and, pending such determination, Trustee shall discontinue payment of benefits to Plan participants or their beneficiaries.

(2.) Unless Trustee has actual knowledge of Company's Insolvency, or has received notice from Company or a person claiming to be a creditor alleging that Company is Insolvent, Trustee shall have no duty to inquire whether company is Insolvent. Trustee may in all events rely on such evidence concerning Company's solvency as may be furnished to Trustee and that provides Trustee with a reasonable basis for making a determination concerning Company's solvency.

(3.) If at any time Trustee has determined that Company is Insolvent, Trustee shall discontinue payments to Plan participants or their beneficiaries and shall hold the assets of The Trust for the benefit of Company's general creditors. Nothing in this Trust Agreement shall in any way diminish any rights of Plan participants or their beneficiaries to pursue their rights as general creditors of Company with respect to benefits due under the Plan or otherwise.

(4.) Trustee shall resume the payment of benefits to Plan participants or their beneficiaries in accordance with Section 2 of this Trust Agreement only after Trustee has determined that Company is not Insolvent (or is no longer Insolvent).

(c.) Provided that there are sufficient assets, if Trustee discontinues the payment of benefits from the Trust pursuant to Section 3(b) hereof and subsequently resumes such payments, the first payment following such discontinuance shall include the aggregate amount of all payments due to Plan participants or their beneficiaries under the terms of the Plan for the period of such discontinuance, less the aggregate amount of any payments made to Plan participants provided for hereunder during any such period of discontinuance; provided that Company has given Trustee the information with respect to such payments made during the period of discontinuance prior to resumption of payments by Trustee.

Section 4. Payments to Company.

Except as provided in Section 3 hereof, after the Trust becomes irrevocable, Company shall have no right or power to direct Trustee to return to Company or to divert to others any of the Trust assets before all payment of benefits have been made to Plan participants and their beneficiaries pursuant to the terms of the Plan.

Section 5. Investment Authority.

(a.) Trustee may invest in securities (including stock or rights to acquire stock) or obligations issued by Company. All rights associated with assets of the Trust shall be exercised by Trustee or the person designated by Trustee, and shall in no event be exercised by or rest with Plan participants, except that voting rights with respect to Trust assets will be exercised by Company unless an investment adviser has been appointed pursuant to Section 5(c) and voting authority has been delegated to such investment adviser.

(b.) Company shall have the right at anytime, and from time to time in its sole discretion, to substitute assets of equal fair market value for any asset held by the Trust. This right is exercised by Company in a non fiduciary capacity without the approval or consent of any person in a fiduciary capacity.

(c.) Trustee may appoint one or more investment advisers who are registered as investment advisers under the Investment Advisers Act of 1940, who may be affiliates of Trustee, to provide investment advice on a discretionary or non-discretionary basis with respect to all or a specified portion of the assets of the Trust.

(d.) Only for the purpose of carrying out the directions of the Company, or the directions of one or more agents designated in writing by the Company to the Trustee, which agents may be designated with respect to a portion of the assets held by the Trustee, the Trustee, or Trustee's designee, is authorized and empowered:

(1.) To invest and reinvest Trust assets, together with the income therefrom, in common stock, preferred stock, convertible preferred stock, bonds, debentures, convertible debentures and bonds, mortgages, notes, commercial paper and other evidences of indebtedness (including those issued by Trustee), shares of mutual funds (which funds may be sponsored, managed or offered by an affiliate of Trustee), guaranteed investment contracts, bank investment contracts, other securities, policies of life insurance, annuity contracts, options, options to buy or sell securities or other assets, and all other property of any type (personal, real or mixed and tangible or intangible);

(2.) To deposit or invest all or any part of the assets of the Trust in savings accounts or certificates of deposit or other deposits in a bank or saving and loan association or other depository institution, including Trustee or any of its affiliates, provided with respect to such deposits with Trustee or an affiliate the deposits bear a reasonable interest rate;

(3.) To hold, manage, improve, repair and control all property, real or personal, forming part of the Trust; to sell, convey, transfer, exchange, partition, lease for any term, even extending beyond the duration of this Trust, and otherwise dispose of the same from time to time;

(4.) To hold in cash, without liability for interest, such portion of the Trust as is pending investments, or payment of expenses, or the distribution of benefits;

(5.) To take such actions as may be necessary or desirable to protect the Trust from loss due to the default on mortgages held in the Trust including the appointment of agents or trustees in such other jurisdictions as may seem desirable, to transfer property to such agents or trustees, to grant to such agents such powers as are necessary or desirable to protect the Trust, to direct such agent or trustee, or to delegate such power to direct, and to remove such agent or trustee;

(6.) To settle, compromise or abandon all claims and demands in favor of or against the Trust;

(7.) To exercise all of the further rights, powers. options and privileges granted, provided for, or vested in trustees generally under the laws of the state in which Trustee is incorporated as set forth above, so that the powers conferred upon Trustee herein shall not be in limitation of any authority conferred by law, but shall be in addition thereto:

(8.) To maintain accounts at, and execute transactions through, any brokerage or other firm, including any firm which is an affiliate of Trustee.

(9.) to register securities, or any other property, in its name or in the name of any nominee, including the name of any affiliate or the nominee name designated by any affiliate, with or without indication of the capacity in which property shall be held, or to hold securities in bearer form and to deposit any securities or other property in an depository or clearing corporation;

(10.) to make, execute and deliver, as Trustee, any and all deeds, leases, mortgages, conveyances, waivers, releases or other instruments in writing necessary or appropriate for the accomplishment of any of the powers listed in this Trust Agreement; and

(11.) generally to do all other acts necessary or appropriate for the protection of the property held by the Trust.

Section 6. Additional Powers of Trustee. To the extent necessary or which it deems appropriate to implement its powers under Section 5 or otherwise to fulfill any of its duties and responsibilities as trustee of the Trust, Trustee shall have the following additional powers and authority This is former subsection (b). to designate and engage the services of, and to delegate powers and responsibilities to, such agents, representatives, advisers, counsel and accountants ("Agents") as Trustee considers necessary or appropriate, any of whom may be an affiliate of Trustee or a person who renders services to such an affiliate, and, as a part of its expenses under this Trust Agreement, to pay their reasonable expenses and compensation, provided that the Trustee shall not retain any Agent without the prior consent of the Company, unless either (i) there are exigent circumstances that require the action before it would be reasonably practical for the Trustee to first obtain the Company's approval, or (ii) if the Company is insolvent, as provided in Section 3(a).

Section 7. Disposition of Income.

During the term of this Trust, all income received by the Trust, net of expenses and taxes, shall be accumulated and reinvested.

Section 8. Accounting by Trustee.

(a.) Trustee shall keep accurate and detailed records of all investments, receipts, disbursements, and all other transactions required to be made, including such specific records as shall be agreed upon in writing between Company and Trustee. Within 90 days following the close of each calendar year and within 90 days after removal or resignation of Trustee, Trustee shall deliver to Company a written account of its administration of the Trust during such year or during the period from the close of the last preceding year to the date of such removal or resignation, setting forth all investments, receipts, disbursements and other transactions effected by it, including a description of all securities and investments purchased and sold with the cost or net proceeds of such purchases or sales (accrued interest paid or receivable being shown separately), and showing all cash, securities and other property held in the Trust at the end of such year or as of the date of such removal or resignation, as the case may be. Trustee may satisfy its obligation under this Section 8 by rendering to Company monthly statements setting forth the information required by this Section separately for the month covered by the statement.

Section 9. Responsibility and Indemnity of Trustee.

(a.) Trustee shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, provided, however, that Trustee shall incur no liability to any person for any action taken pursuant to a direction, request or approval given by Company which is contemplated by, and in conformity with, the terms of the Plan and this Trust and is given in writing by Company. Trustee shall also incur no liability to any person for any failure to act in the absence of direction, request or approval from Company which is contemplated by, and in conformity with, the terms of this Trust. In the event of a dispute between Company and a party, Trustee may apply to a court of competent jurisdiction to resolve the dispute.

(b.) Company hereby indemnifies Trustee and each of its affiliates (collectively, the "Indemnified Parties") against, and shall hold them harmless from, any and all loss, claims, liability, and expense, including reasonable attorneys' fees, imposed upon or incurred by any Indemnified Party as a result of any acts taken, or any failure to act, in accordance with the directions from Company or any designee of Company, or by reason of the Indemnified Party's good faith execution of its duties with respect to the Trust, including, but not limited to, its holding of assets of the Trust, Company's obligations in the foregoing regard to be satisfied promptly by Company, provided such act or failure to act does not arise from the negligence, gross negligence, or willful misconduct of the Trustee. If Company does not pay such costs, expenses and liabilities in a reasonably timely manner, Trustee may obtain payment from the Trust.

(c.) Trustee may consult with legal counsel (who may also be counsel for Company generally) with respect to any of its duties or obligations hereunder.

(d.) Trustee may hire agents, accounts, actuaries, investment advisors, financial consultants or other professionals to assist it in performing any of its duties or obligations hereunder.

(e.) Trustee shall have, without exclusion, all powers conferred on Trustee by applicable law, unless expressly provided otherwise herein, provided, however, that if an insurance policy is held as an asset of the Trust, Trustee shall have no power to name a beneficiary of the policy other than the Trust, to assign the policy (as distinct from conversion of the policy to a different form) other than to a successor Trustee, or to loan to any person the proceeds of any borrowing against such policy.

(f.) However, notwithstanding the provisions of Section 9(e) above, Trustee may loan to Company the proceeds of any borrowing against an insurance policy held as an asset of the Trust.

(g.) Notwithstanding any powers to Trustee pursuant to this Trust Agreement or to applicable law, Trustee shall not have any power that could give this Trust the objective of carrying on a business and dividing the gains therefrom, within the meaning of section 301.7701-2 of the Procedure and Administrative Regulations promulgated pursuant to the Internal Revenue Code.

Section 10. Compensation and Expenses of Trustee.

Company shall pay all administrative expenses, but if not so paid, after written notice by Trustee to Company, the expenses shall be paid from the Trust.

Section 11. Resignation and Removal of Trustee.

(a.) Trustee may resign at any time by written notice to Company, which shall be effective 30 days after receipt of such notice unless Company and Trustee agree otherwise.

(b.) Trustee may be removed by Company on 30 days notice or upon shorter notice accepted by Trustee.

(c.) Upon resignation or removal of Trustee and appointment of a successor Trustee, all assets shall subsequently be transferred to the successor Trustee. The transfer shall be completed within 60 days after receipt of notice of resignation, removal or transfer, unless Company extends the time limit, and provided that Trustee is provided assurance by Company reasonably satisfactory to Trustee that all fees and expenses reasonably anticipated will be paid.

(d.) If Trustee resigns or is removed, a successor shall be appointed, in accordance with Section 12 hereof, by the effective date or resignation or removal under paragraph(s) (a) or (b) of this section. If no such appointment has been made, Trustee may apply to a court of competent jurisdiction for appointment of a successor or for instructions. All expenses of Trustee in connection with the proceeding shall be allowed as administrative expenses of the Trust.

(e.) Upon settlement of the account and transfer of the Trust assets to the successor Trustee, all rights and privileges under this Trust Agreement shall vest in the successor Trustee and all responsibility and liability of Trustee with respect to the Trust and assets thereof shall terminate subject only to the requirement that Trustee execute all necessary documents to transfer the Trust assets to the successor Trustee.

Section 12. Appointment of Successor.

(a.) If Trustee resigns or is removed in accordance with Section 11(a) or (b) hereof, Company may appoint any third party, such as a bank trust department or other party that may be granted corporate trustee powers under state law, as a successor to replace Trustee upon resignation or removal. The appointment shall be effective when accepted in writing by the new Trustee, who shall have all of the fights and powers of the former Trustee, including ownership rights in the Trust assets. The former Trustee shall execute any instrument necessary or reasonably requested by Company or the successor Trustee to evidence the transfer.

(b.) The successor Trustee need not examine the records and act of any prior Trustee and may retain or dispose of existing Trust assets, subject to Sections 7 and 8 hereof. The successor Trustee shall not be responsible for and Company shall indemnify and defend the successor Trustee from any claim or liability resulting from any action or inaction of any prior Trustee or from any other past event, or any condition existing at the time it becomes successor Trustee.

Section 13. Amendment or Termination.

(a.) This Trust Agreement may be amended by a written instrument executed by Trustee and Company. Notwithstanding the foregoing, no such amendment shall conflict with the terms of the Plan or shall make the Trust revocable since the Trust is irrevocable in accordance with Section 1(b) hereof.

(b.) The Trust shall not terminate until the date on which Plan participants and their beneficiaries are no longer entitled to benefits pursuant to the terms of the Plan. Upon termination of the Trust any assets remaining in the Trust shall be returned to Company.

(c.) Upon written approval of participants or beneficiaries entitled to payment of benefits pursuant to the terms of the Plan, Company may terminate this Trust prior to the time all benefit

payments under the Plan have been made. All assets in the Trust at termination shall be returned to Company.

Section 14. Miscellaneous.

(a.) Any provision of this Trust Agreement prohibited by law shall be ineffective to the extent of any such prohibition, without invalidating the remaining provisions hereof.

(b.) Benefits payable to Plan participants and their beneficiaries under this Trust Agreement may not be anticipated, assigned (either at law or in equity), alienated, pledged, encumbered or subjected to attachment, garnishment, levy, execution or other legal or equitable process.

(c.) This Trust Agreement shall be governed by and construed in accordance with the laws of the state in which Trustee is incorporated as set forth above.

(d.) The provisions of Sections 2(d), 3(b)(3), 9(b) and 15 of this Agreement shall survive termination of this Agreement.

(e.) The rights, duties, responsibilities, obligations and liabilities of Trustee are as set forth in this Trust Agreement, and no provision of the Plan or any other documents shall affect such rights, responsibilities, obligations an liabilities. If there is a conflict between provisions of the Plan and this Trust Agreement with respect to any subject involving Trustee including but not limited to the responsibility, authority, or powers of Trustee, the provisions of this Trust Agreement shall be controlling.

(f.) For purposes of this Trust, Change of Control shall mean: The purchase or other acquisition by any person, entity or group of persons, within the meaning of section 13(d) or 14(d) of the Securities Exchange Act of 1934 ("Act"), or any comparable successor provisions, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Act) of 30 percent or more of either the outstanding shares of common stock or the combined voting power of Company's then outstanding voting securities entitled to vote generally, or the approval by the stockholders of Company of a reorganization, merger, or consolidation, in each case, with respect to which persons who were stockholders of Company immediately prior to such reorganization, merger or consolidation do not immediately thereafter, own more than 50 percent of the combined voting power entitled to vote generally in the election of directors of the reorganized, merged or consolidated Company's then outstanding securities, or a liquidation or dissolution of Company or of the sale of all or substantially all of Company's assets.

Section 15. Arbitration.

- Arbitration is final and binding on the parties.

- The parties waiving their right to seek remedies in court, including the right to jury trial.

- Pre-arbitration discovery is generally more limited than and different from court proceedings.

- The arbitrators' award is not required to include factual findings or level reasoning and any party's right to appeal or seek modification of rulings by the arbitrators is strictly limited.

- The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.

Company agrees that all controversies which may arise between Company and either or both the Trustee and its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") in connection with the Trust, including, but not limited to, those involving any transactions, or the construction, performance, or breach of this or any other agreement between Company and either or both the Trustee and MLPF&S, whether entered into prior, on, or subsequent to the date hereof, shall be determined by arbitration. Any arbitration under this agreement shall be conducted only before the New York Stock Exchange, Inc., the American Stock Exchange, Inc., or arbitration facility provided by any other exchange of which MLPF&S is a member, the National Association of Securities Dealers, Inc., or the Municipal Securities Rulemaking Board, and in accordance with its arbitration rules then in force. Company may elect in the first instance whether arbitration shall be conducted before the New York Stock Exchange, Inc., the American Stock Exchange, Inc., other exchange of which MLPF&S is a member, the National Association of Securities Dealers. Inc. or the Municipal Securities Rulemaking Board, but if Company fails to make such election, by registered letter or telegram addressed to Merrill Lynch Trust Company, Employee Benefit Trust Operations, P.O. Box 30532, New Brunswick, New Jersey 08989-0532, before the expiration of five days after receipt of a written request from MLPF&S and/or the Trustee to make such election then MLPF&S and/or the Trustee may make such election. Judgment upon the award of arbitrators may be entered in any court, state or federal, having jurisdiction. No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action; who is a member of putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until:

(i) the class certification is denied;

(ii) the class is decertified; or

(iii) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein.

Section 16. Effective Date.

The effective date of this Trust Agreement shall be January 3, 1995.

IN WITNESS WHEREOF, Company and the Trustee have executed this Trust Agreement each by action of a duly authorized person,

By signing this Agreement, the undersigned Company acknowledges (1) that, in accordance with Section 15 of this Agreement, Company is agreeing in advance to arbitrate any controversies which may arise with either or both the Trustee or LPF&S (2) receipt of a copy of this Agreement.

(Company) Alpha Industries, Inc.

By:

Name/Title: John A. Hanna, Jr./Treasurer

(Trustee)

By:

Name/Title: Chris Rosin/Trust Officer

[ALPHA INDUSTRIES, INC. LETTERHEAD]

EXHIBIT 10(q)

January 24, 1995

Mr. David Aldrich
81 Cross Street
Andover, MA 01810

Dear Dave:

It is with great pleasure that I make this offer of employment to you as the Chief Financial Officer of Alpha Industries, Inc.

This is an exempt position and as a senior member of my management team, you will report directly to me. You will be compensated at the rate of $2,500.00 per week, and will be eligible for an annual performance review each year on or about your anniversary date.

In addition, you will participate in the Management Incentive Compensation Plan (MICP) on an equal basis as the other top managers of Alpha. The MICP is meant to measure your performance against very specific criteria and has the potential to generate additional income if plan goals are met. You will be granted a Non-Qualified Stock Option for 20,000 shares. The price of these shares will be determined by the market price of the stock as of your Date of Hire.

If within two (2) years from your Date of Hire, your employment should be terminated (other than for cause or, except as provided in subparagraph a below, other than as a voluntary termination on your part), then you shall be eligible for salary continuation for two (2) years in accordance with Company Policy 228 (SALARY CONTINUATION), but without regard to the references in that policy to years of continuous service or a thirteen (13) week maximum.

PROVIDED, further, that you shall not be eligible for such salary continuation during any period in which you are engaged in activities or enterprises, either on your own behalf or on behalf of others, which are directly competitive with any business activities of the Company.

a. If termination (including a voluntary termination on your part) should occur both within two (2) years from your Date of Hire and within four (4) months following (i) a change in control of the Company or (ii) the acquisition of the Company, then you shall be eligible for salary continuation as provided above.

[ALPHA INDUSTRIES, INC. LOGO]

b. For the purposes of this Paragraph 4, a "change in control" shall be deemed to have occurred if a majority of the Board of Directors shall consist of members who are neither (i) members as of the date of this letter ("the continuing directors") nor (ii) members who have been recommended for a position on the Board by a majority of the continuing directors on the Board at such time.

Your employee benefits will include medical, dental, life and accidental death and dismemberment insurance, long and short term disability, participation in Alpha's Employee Stock Ownership Plan, and Savings and Retirement 401K Plan. These benefits will be explained to you in greater detail when you joint the Company.

I look forward to your acceptance and believe that should you decide to join us, you will make a significant contribution to Alpha. If you should have any questions, please call either myself or George LeVan.

Sincerely,

ALPHA INDUSTRIES, INC.

/s/ Martin J. Reid
- ----------
Martin J. Reid
President and Chief Executive Officer

MJR:kat

EXHIBIT 10(r)

The ALPHA INDUSTRIES, INC. SAVINGS & RETIREMENT PLAN

INTRODUCTION

WHEREAS, the Alpha Industries, Inc. Savings & Retirement Plan was established as of April 1, 1986 by Alpha Industries, Inc. as a profit sharing plan with a qualified cash or deferred arrangement within the meaning of section 401(k) of the Internal Revenue code of 1986, as amended (the "Plan");

WHEREAS, effective March 31, 1995 the Plan has been amended and restated as set forth in this plan document in order to incorporate the merger of the Alpha Industries, Inc. Employee Stock Ownership Plan into the Plan as of that date;

WHEREAS, the provisions of this restated Plan shall apply only after March 30, 1995 and only with respect to employees who are employed after that date, so that all Plan rights and benefits of former employees shall be determined in accordance with the Plan provisions in effect upon the date that their employment terminated;

NOW THEREFORE, Alpha Industries, Inc. hereby establishes and adopts the following March 31, 1995 restatement of the Alpha Industries, Inc. Savings & Retirement Plan.

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ARTICLE I

PLAN DEFINITIONS

1.1 "Account": A record of a separate account maintained for each Participant consisting of his allocated share of all Employer Contributions, Rollover Contributions and amounts held in his ESOP Account (including the current year's contribution) and the income, gains, losses, payments, withdrawals and expenses allocated to such account under the Plan.

1.2 "Anniversary Date": The first day of each Plan Year.

1.3 "Associated Controlled Group": Shall mean the Employer, its wholly-owned subsidiary, Trans Tech, Inc. and all other members of a controlled group of corporations (as defined in Section 414(b) of the Internal Revenue Code), commonly controlled trades or businesses (as defined in Section 414(c), or affiliated service groups (as defined in Section 414(m)) of which the adopting Employer is a part, or any other entity required to be aggregated with the Employer pursuant to Code Section 414(o) and the regulation thereunder.

1.4 "Beneficiary": Any Person designated by a Participant in accordance with Section 7.3 to receive any benefits payable at such Participant's death. Payments may be made to a Beneficiary designated by a court order, provided that such payments will not adversely affect the qualification of the Plan.

1.5 "Break in Service": A Computation Period during which the Participant does not complete more than 500 hours of service with the Employer. Solely for purposes of determining whether a Break in Service has occurred in a Computation Period, an individual who is absent from work for maternity or paternity reasons shall receive credit for at least 500 hours.

For purposes of this Section, an absence from work for maternity or paternity reasons means an absence (1) by reason of the pregnancy of the individual, (2) by reason of the birth of a child of the individual, (3) by reason of the placement of a child with the individual in connection with the adoption of such child by such individual, or (4) for purposes of caring for such child for a period beginning immediately following such birth or placement.

1.6 "Code": Shall mean the Internal Revenue Code of 1986, as amended.

1.7 "Compensation": Compensation shall mean all of a Participant's wages as defined in Code Section 3401(a) for the purposes of income tax withholding at the source. For purposes of Article III, Compensation shall also include any compensation which is not currently includible in the Participant's gross income by reason of the application of Sections 125, 402(a)(8), 402(h)(1)(B), or 403(b) of the Code.

For years beginning after December 31, 1988, the Annual Compensation of each Participant taken into account under the Plan for any year shall not exceed $200,000. This limitation shall be adjusted by the Secretary at the same time and in the same manner as under section 415(d) of the Code, except that the dollar increase in effect on January 1 of any Calendar Year is effective for years beginning in such Calendar Year and the first adjustment to the $200,000 limitation is effected on January 1, 1990. For Plan Years beginning after December 31, 1993, the limit on Annual Compensation shall be $150,000 indexed as set forth in Code Section 401(a)(17). If a Plan determines Compensation on a period of time that contains fewer than 12 calendar months, then the Annual Compensation limit is an amount equal to the Annual Compensation Limit for the Calendar Year in which the Compensation period begins, multiplied by the ratio obtained by dividing the number of full months in the period by 12. In determining the compensation of a Participant for purposes of this limitation, the rules of Section 414(q)(6) of the Code shall apply, except that in applying such rules, the term "Family" shall include only the spouse of the Participant and any lineal descendants of the Participant who have not attained age 19 before the close of the year. If, as a result of the application of such rules the applicable adjusted limitation is exceeded, then the limitation shall be prorated among the affected individuals in proportion to each such individual's compensation as determined under this section prior to the application of this limitation.

1.8 "Computation Period": The period of time for determining complete Years of Service and Breaks in Service for purposes of eligibility shall be the 12 consecutive month period commencing on the Employment Commencement Date and each subsequent 12 consecutive month period.

1.9 "Disability": A Participant's inability to engage in any substantial gainful activity by reason of any medically

determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration. Notwithstanding the foregoing, a Participant's entitlement to receive disability benefits under the Federal Social Security Act shall be deemed medical evidence satisfactory to the Employer that he is disabled.

1.10 "Effective Date": March 31, 1995, except as otherwise expressly provided herein and except that, for the AESOP which is merged into this Plan and incorporated herein by reference as of this date, the provisions required by TRA'86, as amended, subsequent federal pension legislation, and the regulations issued thereunder shall be effective for such AESOP as of the respective dates required by said legislation.

1.11 "Eligible Class": All Employees.

1.12 "Employee": Any individual employed by the Associated Controlled Group, including any Leased Employees required to be treated as an Employee of the Employer under Code Section 414(n) or Code Section 414(o) and the regulations thereunder.

1.13 "Employer": Alpha Industries, Inc. or members of the Associated Controlled Group.

1.14 "Employer Contribution": The sum of the Salary Reduction Contributions and the Matching Employer Contributions, and any Profit-Sharing Contributions contributed on behalf of any Participant under the Plan.

1.15 "Employer Stock": The common capital stock of Alpha Industries, Inc.

1.16 "Employment Commencement Date": The first day in which the Employee performs an Hour of Service.

1.17 "Entry Date": The first day of each month.

1.18 "Highly Compensated Employee": shall mean any Employee (including a former Employee) who, during the look-back year (A) received Compensation from the Employer in excess of $100,000 (or such larger amounts as may be prescribed by the Secretary of Treasury, or his delegate, pursuant to Code Section 415(d)), (B) received Compensation from the Employer in excess of $66,000 (or such larger amounts as may be prescribed by the Secretary of Treasury, or his delegate, pursuant to Code Section 415(d)) and was in the top-paid

group of Employees for such year, or (C) was at any time an officer and received Compensation greater than 50% of the amount in effect under Code Section 415(b)(1)(A) for such year and who otherwise satisfies the requirements of Code section 414(q) and the regulations thereunder. The term Highly Compensated Employee also includes: (i) Employees who are both described in the preceding sentence if the term "determination year" is substituted for the term "look-back year" and the Employee is one of the 100 Employees who received the most Compensation from the Employer during the determination year; and (ii) Employees who are 5% owners at any time during the look-back year or determination year.

If no officer has satisfied the Compensation requirement of (C) above during either a determination year or look-back year, the highest paid officer for such year shall be treated as a Highly Compensated Employee.

For this purpose, the determination year shall be the Plan Year. The look-back year shall be the twelve-month period immediately preceding the determination year.

A highly compensated former Employee includes any Employee who separated from service (or was deemed to have separated) prior to the determination year, performs no service for the Employer during the determination year, and was a highly compensated active Employee for either the separation year or any determination year ending on or after the Employee's 55th birthday.

If an Employee is, during a determination year or look-back year, a family member of either a 5% owner who is an active or former employee or a Highly Compensated Employee who is one of the 10 most Highly Compensated Employees ranked on the basis of Compensation paid by the Employer during such year, then the family member and the 5% owner or top-ten Highly Compensated Employee shall be aggregated. In such case, the family member and 5% owner or top-ten Highly Compensated Employee shall be treated as a single Employee receiving Compensation and contributions equal to the sum of such Compensation and contributions of the family member and 5% owner or top-ten Highly Compensated Employee. For purposes of this section, family member includes the spouse, lineal ascendants and descendants of the Employee or former Employee and the spouses of such lineal ascendants and descendants.

The determination of who is a Highly Compensated Employee, including the determinations of the number and identity of Employees in the top-paid group, the top 100 Employees, the

number of Employees treated as officers and the Compensation that is considered, will be made in accordance with Section 414(q) of the Code and the regulations thereunder.

1.19 "Hour of Service":

A. Each hour for which an Employee is paid, or entitled to payment, for the performance of duties for the Employer. These hours shall be credited to the Employee for the Computation Period or Periods in which the duties are performed; and

B. Each hour for which an Employee is paid, or entitled to payment, by the Employer on account of a period of time during which no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including Disability), layoff, jury duty, military duty or leave of absence. No more than 501 Hours of Service shall be credited under this paragraph for any single continuous period (whether or not such period occurs in a single Computation Period). Hours under this paragraph shall be calculated and credited pursuant to Section 2530.200b-2 of the Department of Labor Regulations which are incorporated herein by this reference; and

C. Each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by the Employer. The same Hours of Service shall not be credited both under paragraph (A) or paragraph (B) as the case may be, and under this paragraph (C). These hours shall be credited to the Employee for the Computation Period or Periods to which the award or agreement pertains rather than the Computation Period in which the award, agreement or payment is made.

D. Hours of Service will be credited for employment with all members of the Associated Controlled Group.

E. Hours of Service will also be credited for any individual considered a Leased Employee, or required to be considered an Employee under Section 414(o) of the Code and the regulations thereunder.

F. Hours of Service shall be determined on the basis of actual hours for which an Employee is paid or is entitled to payment.

1.20 "Leased Employee": Any leased employee shall be treated as an Employee of the recipient Employer. However, contributions or benefits provided by the leasing organization which are attributable to the services performed for the recipient Employer shall be treated as provided by the recipient. The preceding sentences shall not apply to any leased employee (A) if such Employee is covered by a money purchase pension plan providing: (1) a non-integrated employer contribution rate of at least 10% of compensation as defined in Section 415(c)(3) of the Code, but including amounts contributed by the Employer pursuant to salary reduction agreement which are excludable from the Employee's gross income under Section 125, Section 402(a)(8), Section 402(h) or Section 403(b) of the Code, (2) immediate participation, and (3) full and immediate vesting, and (B) Leased Employees do not constitute more than 20% of the recipient's non-highly compensated workforce. For purposes of this paragraph, the term "Leased Employee" means any person (other than an Employee of the recipient) who pursuant to an agreement between the recipient and any other person ("leasing organization") has performed services for the recipient or for the recipient and related persons (determined in accordance with Section 414(n)(6) of the Code) on a substantially full-time basis for a period of at least one year and such services are of a type historically performed by employees in the business field of the recipient Employer.

1.21 "Limitation Year": The Plan Year. If the Employer has another plan with a different Limitation Year, it must be amended to conform with this Limitation Year. If the Limitation Year is amended to a different 12-consecutive month period, the new Limitation Year must begin on a date within the Limitation Year in which the amendment is made. The period ending immediately before the new Limitation Year shall be designated as a Short Limitation Year.

1.22 "Named Fiduciary": Alpha Industries, Inc. and, if not such entity, then the Trustee and the Plan Administrator shall be Named Fiduciaries of the Plan.

1.23 "Normal Retirement Age": Age 65.

1.24 "Normal Retirement Benefit": The benefit payable to a Participant pursuant to Section 7.1A at his Normal Retirement Date.

1.25 "Normal Retirement Date": The first day of the month next following the Participant's attainment of age 65.

1.26 "Participant": An Employee who has commenced participation in the Plan pursuant to Article II. For purposes of Article III, "Participant" means an Employee who is eligible to participate in the Plan.

1.27 "Person": An individual, committee, trust, estate, partnership, association, company, or corporation.

1.28 "Plan": THE Alpha Industries, Inc. Savings & Retirement Plan adopted by the Employer pursuant to this agreement and document for the exclusive benefit of participating Employees and their Beneficiaries.

The Plan was effective April 1, 1986 and is intended to qualify as a profit sharing plan with a qualified cash or deferred arrangement under Section 401(a) and 401(k) of the Internal Revenue Code. The Plan has been amended and restated as of March 31, 1995 in order to incorporate the merger of the Alpha Industries, Inc. Employee Stock Ownership Plan (the "ESOP") into the Plan as of March 31, 1995, except that the provisions applicable to a profit sharing plan with a qualified cash or deferred arrangement which are required by the Tax Reform Act of 1986, subsequent federal legislation and the regulations thereunder, shall be effective with respect to the Plan as of the respective effective dates required by said legislation and regulations. The provisions of this restated Plan shall apply only after March 30, 1995 and only to Employees who are employed after that date. All rights and benefits of former Employees shall be determined in accordance with the provisions of the Plan in effect on the date their employment terminated.

1.29 "Plan Administrator": The Employer or such Committee or such other Person so designated by the Employer who agrees to serve in such capacity.

1.30 "Plan Year": The calendar year.

1.31 "Qualified Joint and Survivor Annuity": An immediate annuity for the life of the Participant with a survivor annuity for the life of the Spouse which is one-half the amount of the annuity payable during the joint lives of the Participant and the Spouse and which is the actuarial equivalent of the value of the Participant's Account.

1.32 "Reemployment Commencement Date": First day in which the Employee performs an Hour of Service following a Break in Service.

1.33 "Spouse": The spouse or surviving spouse of the Participant, except that a former spouse will be treated as the spouse or surviving spouse, and a current spouse will not be treated as the spouse or surviving spouse, to the extent provided for under a qualified domestic relations order as described in Section 414(p) of the Code.

1.34 "Trust": The Trust Agreement as entered into by Alpha Industries Inc. and Investors Bank & Trust Company as Trustee, and/or any other trust entered into by the Employer for the purpose of holding the assets of the Plan.

1.35 "Trustee": The Person or Persons executing the Trust as trustee for the Plan or, with respect to a successor trustee, a person who accepts his appointment and acknowledges his responsibility under the Plan as Trustee in writing.

1.36 "Year of Service":

A. A completed Year of Service shall mean a Computation Period during which the Employee completes at least 1,000 Hours of Service. No minimum number of Hours of Service shall be required to receive credit for a fractional Year of Service.

Fractional periods of a year shall be expressed in terms of days.

B. Included Service:

All Years of Service with other members of an Associated Controlled Group that includes the Employer shall be credited for purposes of determining an Employee's eligibility to participate or the non-forfeitable percentage of his Account under the Plan. In addition, where the Employer maintains the plan of a predecessor employer, service for such predecessor employer shall be treated as service for the Employer.

1.37 "Valuation Date": The last day of each month.

1.38 The masculine, feminine, and neuter genders shall each be deemed to denote the masculine, feminine, and neuter; the singular to denote the plural, and the plural to denote the singular, where appropriate.

ARTICLE II

ELIGIBILITY AND PARTICIPATION

2.1 Eligibility:

An Employee shall be eligible to participate in the Plan commencing on the first Entry Date upon which he belongs to the Eligible Class and has attained the age of 21 and completed six months of service.

In the event an Employee who was not a member of the Eligible Class becomes a member of the Eligible Class, such Employee shall participate immediately if such Employee has attained the requisite age and completed the minimum number of Years of Service, as indicated in the previous paragraph.

In the event an Employee who has terminated employment is rehired as a member of the Eligible Class, such Employee shall participate immediately if he has attained the requisite age and completed the minimum number of Years of Service, as indicated in the first paragraph of this Section and would have previously become a Participant had he been employed by the Employer in the Eligible Class.

A Leased Employee who is a member of the Eligible Class shall participate immediately if such Leased Employee has attained the requisite age and completed the minimum number of Years of Service, as indicated in the first paragraph of this Section and would have previously become a Participant had he been an Employee, rather than a Leased Employee, of the Employer.

2.2 Waiver of Participation:

An eligible Employee shall begin participation on the appropriate date stated in Section 2.1. A Participant may give written notice to the Plan Administrator that he will not execute a Salary Reduction Agreement as set forth in Section 3.1A. An Employee who initially makes such an election shall not have an opportunity to execute a Salary Reduction Agreement until the Entry Date next following his giving written assent to execute such an Agreement.

2.3 Termination of Participation:

In the event a Participant ceases to be a member of the Eligible Class, whether by separation from service or otherwise, his participation in the Plan shall cease. The former Participant's Account shall not be distributed until he retires, dies or otherwise separates from service with the Employer or, if appropriate, the Associated Controlled Group. If the former Participant separates from service with the Employer, before death, Disability, or retirement, his non-forfeitable right to the Account shall be determined under Section 8.1.

2.4 Recommencement of Participation:

In the event a Participant ceases to participate because he is no longer a member of the Eligible Class, whether by termination of employment or otherwise, such Employee shall participate again immediately upon his return to the Eligible Class.

2.5 Transfers Among Employers of an Associated Controlled Group:

In the event an Employee was previously employed by an employer not maintaining the Plan, and the Employee was a participant in a defined contribution plan maintained by the previous employer, the Employee shall immediately commence participation in the Plan. The Employee's account under the prior plan shall be transferred and shall become the Employee's initial Account under the Plan. This Section shall apply only if, at the time of transfer, the Employee's former employer belongs to an Associated Controlled Group which includes the Employer and the eligibility and vesting provisions of the former plan are similar to those of the Plan.

ARTICLE III

CONTRIBUTIONS AND ALLOCATIONS

3.1 Employer Contributions:

For each Plan Year, the Employer shall make a contribution determined in accordance with the following provisions:

A. Each Participant may elect to execute a salary reduction agreement with the Employer to reduce his Compensation by a specified percentage. The election shall specify a whole number multiple of one (1) percent, which shall be not more than 15% of Compensation. Such agreement shall become effective on the next payroll period for which the Employer can reasonably process the request. The Employer shall make a Salary Reduction Contribution on behalf of the Participant corresponding to the amount of said reduction, subject to the restrictions provided below in Sections 3.2 and 3.3.

A Participant may elect to change or discontinue the percentage by which his Compensation is reduced as of the first day of a Plan quarter by notice to the Employer at least ten days prior to such date. Any such change or discontinuance shall be effective with the next payroll period for which the Employer can reasonably process the request. After a Participant's discontinuance of salary reductions, a Participant may execute a new salary reduction agreement, but such new agreement shall not be effective until the next Entry Date which is at least 10 days following its execution.

In order to ensure compliance with the provisions of Code Section 401(k) and the terms of Section 3.3, the Employer may from time to time limit the amount by which the Compensation of a Participant who is a Highly Compensated Employee shall be reduced. The Salary Reduction Contribution to the Plan on behalf of any Participant shall not exceed the amount by which his Compensation has been reduced.

B. The Employer shall make a Matching Employer Contribution, in the form of cash or Employer Stock (as determined in the sole discretion of the Employer), on behalf of each Participant who had Salary Reduction Contributions made on his behalf during the year, in an amount equal to 50% of the

first $1,000 of such salary reduction contributions. The amount of the Matching Employer Contribution shall be subject to the restrictions provided below in this Article III and Article IV. Matching Employer Contributions shall be remitted on at least a quarterly basis.

C. For each Plan Year, the Employer may make a Profit-Sharing Contribution, in the form of cash or Employer Stock (as determined in the sole discretion of the Employer), in an amount determined by the Employer's Board of Directors, by a resolution adopted on or before the last day specified by the Code for making deductible contributions for such Plan Year. If a Profit Sharing Contribution is made during the 1995 Plan Year and is designated as a contribution with respect to the merged AESOP, it shall be allocated as of March 31, 1995 in accordance with the terms of the AESOP in effect immediately prior to the merger. Any other Profit Sharing Contribution made shall be allocated on behalf of each Participant who was a member of the Eligible Class during any portion of the Plan Year and who is employed on the last day of the Plan Year. Profit Sharing Contributions, if any, shall be allocated to each such Participant based on the ratio that such Participant's Compensation bears to the total Compensation paid to all Participants. See Section 10.2B restricting the amendment of this subsection C.

3.2 Dollar Limitation on Salary Reduction Contributions:

A. No Employee shall be permitted during any calendar year to have Salary Reduction Contributions made under this Plan, or any other plan maintained by the Employer or a member of the Associated Control Group, in excess of $7000 multiplied by the cost of living adjustment factor provided by the Secretary of the Treasury under Code Section 415(d). The Employee's written salary reduction agreement shall be deemed to be limited to the extent necessary to comply with this paragraph.

B. Notwithstanding any other provision of the Plan, Excess Salary Reduction Contributions, plus any income and minus any loss allocable thereto, shall be distributed no later than the next April 15, to Participants to whose Accounts Excess Salary Reduction Contributions were allocated for the preceding calendar year or who claim Excess Salary Reduction

Contributions for such calendar year. Excess Salary Reduction Contributions shall mean Salary Reduction Contributions made on behalf of a Participant in excess of the dollar limitation described in Section 3.2A. Excess Salary Reduction Contributions shall be treated as Annual Additions under the Plan.

C. The Participant's claim of Excess Salary Reduction Contributions shall be in writing; shall be submitted to the Plan Administrator not later than March 1st; shall specify the amount of the Participant's Excess Salary Reduction Contributions for the preceding calendar year; and shall be accompanied by the Participant's written statement that if such amounts are not distributed, such Excess Salary Reduction Contributions, when added to amounts deferred under other plans or arrangements described in Sections 401(k), 408(k) or 403(b) of the Code, will exceed the limit imposed on the Participant by Section 402(g) of the Code for the year in which the Excess Salary Reduction Contributions occurred.

D. The income or loss allocable to Excess Salary Reduction Contributions shall be equal to the income or loss allocable to the Participant's Salary Reduction Contribution Account for the calendar year multiplied by a fraction, the numerator of which is the Excess Salary Reduction Contributions on behalf of the Participant for the calendar year and the denominator of which is the Participant's Account attributable to Salary Reduction Contributions on the last day of the calendar year, without regard to any income or loss occurring during such calendar year.

3.3 Special Restrictions on Salary Reduction Contributions:

A. Salary Reduction Contributions for Highly Compensated Employees must comply with one of the following limitations:

(1) the Average Actual Deferral Percentage for Participants who are Highly Compensated Employees for the Plan Year shall not exceed the Average Actual Deferral Percentage for Participants who are non-highly compensated employees for the Plan Year multiplied by 1.25; or

(2) the Average Actual Deferral Percentage for Participants who are Highly Compensated Employees for the Plan Year shall not exceed the Average

Actual Deferral Percentage for Participants who are non-highly compensated employees for the Plan Year multiplied by 2, provided that the Average Actual Deferral Percentage for Participants who are Highly Compensated Employees does not exceed the Average Actual Deferral Percentage for Participants who are non-highly compensated employees by more than two (2) percentage points.

B. For purposes of Section 3.3A, the term "Actual Deferral Percentage" shall mean the ratio (expressed as a percentage), of Salary Reduction Contributions on behalf of the Participant for the Plan Year to the Participant's Compensation for the Plan Year. For purposes of computing Actual Deferral Percentages, an Employee who would be a Participant but for the failure to make Salary Reduction Contributions shall be treated as a Participant on whose behalf no Salary Reduction Contribution is made. The term "Average Actual Deferral Percentage" shall mean the average (expressed as a percentage) of the Actual Deferral Percentages of the Participants in a group for the Plan Year.

C. The Actual Deferral Percentage for any Participant who is a Highly Compensated Employee for the Plan Year and who is eligible to have Salary Reduction Contributions allocated to his account under two or more plans or arrangements described in Section 401(k) of the Code that are maintained by the Employer or an Associated Controlled Group shall be determined as if all such Salary Reduction Contributions were made under a single arrangement. If a Highly Compensated Employee participates in two or more plans or arrangements described in Code Section 401(k) that have different Plan Years, all such plans or arrangements ending with or within the same calendar year shall be treated as a single arrangement.

D. In the event that this Plan satisfies the requirements of Sections 401(k), 401(a)(4), or 410(b) of the Code only if aggregated with one or more other plans, or if one or more other plans satisfy the requirements of such sections of the Code only if aggregated with this Plan, then this section shall be applied by determining the Actual Deferral Percentages of Employees as if all such plans were a single plan. For Plan Years beginning after December 31, 1989, plans may be aggregated in order to satisfy Section

401(k) of the Code only if they have the same Plan Year.

E. For purposes of determining the Actual Deferral Percentage of a Participant who is a 5% owner or one of the 10 most highly compensated Highly Compensated Employees, the Salary Reduction Contributions and Compensation of such Participants shall include the Salary Reduction Contributions, and Compensation of family members (as defined in Code section 414(q)(6)) and such family members shall be disregarded as separate Employees in determining the Actual Deferral Percentage for Participants who are non-highly compensated employees and for Participants who are Highly Compensated Employees.

F. For purposes of determining the Actual Deferral Percentage of the Participants, Salary Reduction Contributions must be made before the last day of the twelve-month period immediately following the Plan Year to which contributions relate.

G. The Employer shall maintain records sufficient to demonstrate satisfaction of Section 3.3A.

H. The determination and treatment of the Actual Deferral Percentage amounts of any Participant shall satisfy such other requirements as may be prescribed by the Secretary of the Treasury or his delegate.

3.4 Distribution of Excess Contributions:

A. Notwithstanding any other provision of the Plan, Excess Contributions plus any income, and minus any loss, allocable thereto shall be distributed no later than the last day of each Plan Year, to Participants on whose behalf such Excess Contributions were made for the preceding Plan Year. If such distribution is made more than 2-1/2 months after the last day of the Plan Year in which the Excess Contributions arose, a ten (10%) percent excise tax will be imposed on the Employer maintaining the Plan with respect to said amounts. For purposes of this section, "Excess Contributions" shall mean the amount of Salary Reduction Contributions, in excess of the restrictions described in Section 3.3 (determined by reducing contributions made on behalf of Highly Compensated Employees in order of the Actual Deferral Percentages, beginning with the highest of such percentages). Excess Contributions shall be allocated to

Participants who are subject to the family members aggregation rules of Section 414(q)(6) of the Code in the manner prescribed by regulations. Excess Contributions shall be treated as Annual Additions under the Plan.

B. The income or loss allocable to Excess Contributions shall be equal to the income or loss allocable to the Participant's Salary Reduction Contribution Account for the Plan Year multiplied by a fraction, the numerator of which is the Excess Contributions on behalf of the Participant for the Plan Year and the denominator of which is the Participant's Account attributable to Salary Reduction Contributions on the last day of the Plan Year.

C. The Excess Contributions which would otherwise be distributed to the Participant shall be adjusted for income or loss; shall be reduced, in accordance with regulations, by the amount of Excess Salary Reduction Contributions distributed to the Participant under Section 3.2; and shall, if there is a loss allocable to the Excess Contributions, in no event be less than the lesser of the Participant's Account under the Plan or the Participant's Salary Reduction Contributions for the Plan Year.

3.5 Special Restrictions on Matching Employer Contributions:

A. Matching Employer Contributions, for Highly Compensated Employees must comply with one of the following limitations:

(1) the Average Contribution Percentage for Participants who are Highly Compensated Employees for the Plan Year shall not exceed the Average Contribution Percentage for Participants who are non-highly compensated employees for the Plan Year multiplied by 1.25; or

(2) the Average Contribution Percentage for Participants who are Highly Compensated Employees for the Plan Year shall not exceed the Average Contribution Percentage for Participants who are non-highly compensated employees for the Plan Year multiplied by two, provided that the Average Contribution Percentage for Participants who are Highly Compensated Employees does not exceed the Average Contribution Percentage for Participants

who are non-highly compensated employees by more than two (2) percentage points.

Special Rule:

Multiple Use: if one or more Highly Compensated Employees participate in both a plan subject to Code Section 401(k) and a plan subject to Code Section 401(m) maintained by the Employer and the sum of the Average Actual Deferral Percentage and Average Contribution Percentage of those Highly Compensated Employees subject to either or both tests exceeds the Aggregate Limit, then the Average Contribution Percentage of those Highly Compensated Employees who also participate in a plan subject to Code Section 401(k) will be reduced (beginning with such Highly Compensated Employee whose Average Contribution Percentage is the highest) so that the limit is not exceeded. The amount by which each Highly Compensated Employee's Contribution Percentage is reduced shall be treated as an Excess Aggregate Contribution. The Average Actual Deferral Percentage and Average Contribution Percentage of the Highly Compensated Employees are determined after any corrections required to meet the Actual Deferral Percentage and Average Contribution Percentage tests. Multiple use does not occur if either the Actual Deferral Percentage or the Average Contribution Percentage of the Highly Compensated Employees does not exceed 1.25 multiplied by the Average Actual Deferral Percentage or the Average Contribution Percentage, respectively, of the non-highly compensated employees.

For purposes of this special rule, "Aggregate Limit" shall mean the sum of (i) 125% of the greater of the Average Actual Deferral Percentage of the non-highly compensated employees for the Plan Year or the Average Contribution Percentage of non-highly compensated employees under the plan subject to Code Section 401(m) for the Plan Year beginning with or within the Plan Year of the plan subject to Code Section 401(k) and (ii) the lesser of 200% or two plus the lesser of such Average Actual deferral Percentage or Average Contribution Percentage. "Lesser" is substituted for "greater" in "(i)" above, and "greater" is substituted for "lesser" after "two plus the" in

"(ii)" if it would result in a larger Aggregate Limit.

B. For purposes of Section 3.5A, the term "Contribution Percentage" shall mean the ratio (expressed as a percentage) of Matching Employer Contributions and (after application of Sections 3.2 and 3.4) on behalf of the Participant for the Plan Year to the Participant's Compensation for the Plan Year (whether or not the Employee was a Participant for the entire Plan Year). The term "Average Contribution Percentage" shall mean the average (expressed as a percentage) of the Contribution Percentages of the Participants in a group for the Plan Year.

C. For purposes of this Section 3.5, the Contribution Percentage for any Participant who is a Highly Compensated Employee and who is eligible to have Matching Employer Contributions allocated to his Account, under two or more plans described in Section 401(a) of the Code, or arrangements described in Section 401(k) of the Code, that are maintained by the Employer, shall be determined as if the total of such Matching Employer Contributions was made under each plan. If a Highly Compensated Employee participates in two or more plans or arrangements subject to Code Section 401(k) that have different plan years, all such plans or arrangements ending with or within the same calendar year shall be treated as a single arrangement.

D. In the event that this Plan satisfies the requirements of Sections 401(m), 401(a)(4) or 410(b) of the Code only if aggregated with one or more other plans, or if one or more other plans satisfy the requirements of such sections of the Code only if aggregated with this Plan, then this Section 3.6 shall be applied by determining the Contribution Percentages of Participants as if all such plans were a single plan. For Plan Years beginning after December 31, 1989, plans may be aggregated in order to satisfy Section 401(m) of the Code only if they have the same Plan Year.

E. For purposes of determining the Contribution Percentage of a Participant who is a 5% owner or one of the 10 most highly paid Highly Compensated Employees, the Matching Employer Contributions and Compensation of such Participant shall include the Matching Employer Contributions and Compensation of

family members (as defined in Code Section 414(q)). Family members, with respect to Highly Compensated Employees, shall be disregarded as separate Employees in determining the Average Contribution Percentage both for Participants who are non-highly compensated employees and for Participants who are Highly Compensated Employees.

F. Matching Employer Contributions will be considered made for a Plan Year if made no later than the end of the twelve-month period beginning on the day after the close of the Plan Year.

G. The Employer shall maintain records sufficient to demonstrate satisfaction of Section 3.5A.

H. The determination and treatment of the Contribution Percentage of any Participant shall satisfy such other requirements as may be prescribed by the Secretary of the Treasury.

3.6 Distribution of Excess Aggregate Contributions:

A. Notwithstanding any other provision of this Plan, Excess Aggregate Contributions, plus any income and minus any loss allocable thereto, shall be forfeited, if forfeitable, or if not forfeitable, distributed no later than the last day of each Plan Year to Participants to whose Accounts Excess Aggregate Contributions were allocated for the preceding Plan Year. If such Excess Aggregate Contributions are distributed more than 2-1/2 months after the last day of the Plan Year in which such excess amounts arose, a ten percent (10%) excise tax will be imposed on the Employer maintaining the Plan with respect to those amounts. For purposes of this Section 3.6, "Excess Aggregate Contributions" shall mean the amount of Matching Employer Contributions and in excess of the restrictions described in Section 3.5. Excess Aggregate Contributions shall be allocated to Participants who are subject to the family member aggregation rules of Section 414(q)(6) of the Code in the manner prescribed by regulations. Excess Aggregate Contributions shall be treated as Annual Additions under the Plan.

B. The income or loss allocable to Excess Aggregate Contributions shall be equal to the income or loss allocable to the Participant's Matching Employer Contributions for the Plan Year multiplied by a

fraction, the numerator of which is the Excess Aggregate Contributions on behalf of the Participant for the Plan Year and the denominator of which is the Participant's Account attributable to Matching Employer Contributions on the last day of the Plan Year, without regard to any income or loss occurring during such Plan Year.

C. Forfeitures of the portion of the Excess Aggregate Contributions that are allocable to Matching Employer Contributions will serve to reduce Employer Contributions. Amounts forfeited by Highly Compensated Employees under this Section 3.6C shall be treated as Annual Additions under the Plan.

D. Excess Aggregate Contributions shall be forfeited if otherwise forfeitable under the terms of the Plan or, if not forfeitable then distributed from the Participant's Matching Employer Contribution Account, in proportion to the Participant's Matching Employer Contributions for the Plan Year.

E. The determination of the Excess Aggregate Contributions shall be made after first determining the Excess Salary Reduction Contributions under Section 3.2, and then determining the Excess Contributions under Section 3.4.

3.7 Limits and Timing of Employer Contributions:

The Employer Contribution for any Plan Year or Short Plan Year shall not exceed 15% of the annual Compensation otherwise paid by the Employer to all the Participants for the Employer's fiscal year, increased by such amounts as may be carried forward under the provisions of section 404(a)(3)(A) of the Code, as in existence at the date of the contribution, but not to exceed the maximum deductible amount.

The Employer may make a payment, or payments, of its contribution for a Plan Year or Short Plan Year on any date, or dates, it elects, provided that the total amount of the Employer Contribution for any Plan Year or Short Plan Year shall be paid in full at the close of said Plan Year or Short Plan Year, or within such period thereafter as may be permissible under the appropriate deduction provisions of the Code.

3.8 Allocation of Employer Contributions:

The Plan Administrator shall establish an Account for each Participant and credit this Account with that portion of the Employer Contribution allocated to such Participant.

Alpha Industries, Inc. shall contribute only on behalf of Participants who are Employees of any participating Employer.

Contributions allocated on behalf of a Participant shall be subject to the limitations in Article IV.

Separate Accounts for Salary Reduction Contributions, Matching Employer Contributions, Profit-Sharing Contributions and Rollover Contributions will be maintained for each Participant. Each Account will be credited with the applicable contributions and earnings thereon.

3.9 Forfeitures:

Forfeitures occurring under the Plan shall be applied to reduce future Employer Contributions (including administrative expenses) to the Plan. Forfeitures resulting from termination of employment with one employer who has adopted the Plan shall not be reallocated to reduce the contribution of any other employer.

3.10 Rollover Contributions:

Any Employee may file a request in writing to the Plan Administrator that the Trustee accept a Rollover Contribution. The Plan Administrator, in accordance with a uniform and non-discriminatory policy, shall determine whether or not such Rollover Contribution shall be accepted. Any such request shall state the amount of the Rollover Contribution, the nature of the property constituting the Rollover Contribution, and include a statement that such contribution qualifies as a Rollover Contribution as defined in this Section 3.10. In addition, the Plan Administrator may require the Employee to submit such other evidence and documentation as it or the Trustee deems necessary to determine that the contribution qualifies as a Rollover Contribution. If the Trustee accepts the Rollover Contribution at the direction of the Plan Administrator, it shall liquidate the property constituting the Rollover Contribution and invest it pursuant to the terms of the Plan. A "Rollover Contribution" means cash or property representing a qualified rollover amount under Sections 402(a)(5), 403(a)(4), or 408(d)(3) of the Code.
A Participant shall at any time, upon 30 days written notice to the Plan Administrator, be able to withdraw up to the

current value of Rollover Contributions. Once withdrawn, Rollover Contribution cannot be recontributed to this Plan. No forfeitures will occur solely as a result of a Participant's withdrawal of his Rollover Contributions.

ARTICLE IV

LIMITATION ON ALLOCATIONS

4.1 For purposes of Article IV, the following terms shall be defined as follows:

A. "Annual Additions": The sum of the following amounts allocated on behalf of a Participant for the Limitation Year:

(1) all Employer Contributions,

(2) amounts reapplied to reduce Employer Contributions under Section 4.2,

(3) amounts allocated, after March 31, l984, to an individual medical account, as defined in Section 415(1)(2) of the Code, which is part of a pension or annuity plan maintained by the Employer, and

(4) amounts derived from contributions paid or accrued after December 31, l985, in taxable years ending after such date which are attributable to post-retirement medical benefits allocated to the separate account of a Key Employee, as defined in Code Section 419A(d)(3), under a welfare benefit fund, as defined in Code Section 419(e), maintained by the Employer.

B. "Compensation": A Participant's earned income, wages, salaries, and fees for professional services and other amounts received for personal services actually rendered in the course of employment with the Employer maintaining the plan (including, but not limited to, commissions, compensation for services on the basis of a percentage of profits, tips and bonuses), and excluding the following:

(1) employer contributions to a plan of deferred compensation which are not includible in the Employee's gross income for the taxable year in which contributed, or employer contributions under a simplified employee pension plan to the extent such contributions are deductible by the employee, or any distributions from a plan of deferred compensation;

(2) amounts realized from the exercise of a non-qualified stock option, or when restricted stock (or property) held by the Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture;

(3) amounts realized from the sale, exchange or other disposition of stock acquired under a qualified stock option; and

(4) other amounts which received special tax benefits, or contributions made by the employer (whether or not under a salary reduction agreement) towards the purchase of an annuity described in Section 403(b) of the Code (whether or not the amounts are actually excludable from the gross income of the employee).

For purposes of applying the limitations of this Article, Compensation for a limitation year is the Compensation actually paid or includible in gross income during such year.

C. "Defined Contribution Plan Fraction": A fraction, the numerator of which is the sum of the Annual Additions to the Participant's Account under all the defined contribution plans (whether or not terminated) maintained by the Employer for the current and all prior Limitation Years (including the Annual Additions attributable to the Participant's non-deductible employee contributions to all defined benefit plans, whether or not terminated, maintained by the Employer, and the Annual Additions attributable to all welfare benefit funds, as defined in Section 419(e) of the Code and individual medical accounts, as defined in Section 415(1)(2) of the Code, maintained by the Employer), and the denominator of which is the sum of the maximum aggregate amounts for the current and all prior Limitation Years of service with the Employer (regardless of whether a defined contribution plan was maintained by the Employer). The maximum aggregate amount in any Limitation Year is the lesser of 125% of the dollar limitation determined under Sections 415(b) and (d) of the Code in effect under Section 415(c)(1)(A) of the Code or 35% of the Participant's compensation for such year.

If the Employee was a Participant as of the end of the first day of the first Limitation Year beginning after December 31, 1986, in one or more defined contribution

plans maintained by the Employer which were in existence on May 6, 1986, the numerator of this fraction will be adjusted if the sum of this fraction and the Defined Benefit Plan Fraction would otherwise exceed 1.0 under the terms of this Plan. Under the adjustment, an amount equal to the product of (1) the excess of the sum of the fractions over 1.0 times (2) the denominator of this fraction, will be permanently subtracted from the numerator of this fraction. The adjustment is calculated using the fractions as they would be computed as of the end of the last Limitation Year beginning before January 1, 1987, and disregarding any changes in the terms and conditions of the plans made after May 5, 1986, but using the Section 415 limitation applicable to the first Limitation Year beginning on or after January 1, 1987.

The Annual Addition for any Limitation Year beginning before January 1, 1987, shall not be recomputed to treat all employee contributions as Annual Additions.

D. "Defined Benefit Plan Fraction": A fraction, the numerator of which is the sum of the Participant's projected annual benefits at the close of the Limitation Year for the Participant under all the defined benefit plans (whether or not terminated) maintained by the Employer, and the denominator of which is the lesser of 125% of the dollar limitation determined for the Limitation Year under Sections 415(b) and (d) of the Code or 140% of the highest average compensation, including any adjustments under Section 415(b) of the Code.

Notwithstanding the above, if the Participant was a Participant as of the first day of the first Limitation Year beginning after December 31, 1986, in one or more defined benefit plans maintained by the Employer which were in existence on May 6, 1986, the denominator of this fraction will not be less than 125% of the sum of the annual benefits under such plans which the Participant had accrued as of the close of last Limitation Year beginning before January 1, 1987, disregarding any changes in the terms and conditions of the plans after May 5, 1986. The preceding sentence applies only if the defined benefit plans individually and in the aggregate satisfied the requirements of Section 415 for all Limitation Years beginning before January 1, 1987.

The term "highest average compensation" as used herein shall mean the average compensation for the three consecutive years of service with the Employer that produce the highest average, as defined in the Employer's defined benefit plan.

The term projected annual benefit as used herein shall mean the annual retirement benefit from the Employer's defined benefit plan (adjusted to an actuarially equivalent straight life annuity if such benefit is expressed in a form other than a straight life annuity [or Qualified Joint and Survivor Annuity)] to which the Participant would be entitled under the terms of said plan assuming:

(1) The Participant will continue employment until normal retirement age under said plan (or current age, if later), and

(2) The Participant's compensation for the current Limitation Year and all other relevant factors used to determine benefits under said plan will remain constant for all future Limitation Years.

E. "Excess Amount": The excess of the Participant's Annual Additions for the Limitation Year over the Maximum Permissible Amount, less loading and other administrative charges allocable to such excess.

F. "Maximum Permissible Amount": The lesser of (1) $30,000 (or if greater, 1/4 of the defined benefit dollar limitation set forth in Section 415(b)(1) of the Code as in effect for the Limitation Year) or (2) 25% of the Participant's compensation for the Limitation Year. The compensation limitation referred to in (2) above shall not apply to any contribution for medical benefits within the meaning of Section 401(h) or Section 419A(f)(2) of the Code) which is otherwise treated as an Annual Addition under Section 415(l)(1) or 419A(d)(2) of the Code. If a Short Limitation Year is created because of an amendment changing the Limitation Year to a different 12 consecutive month period, the Maximum Permissible Amount will not exceed the limitation described in (1) above, multiplied by the following fraction:

$$\frac{\text{Number of months in the Short Limitation Year}}{(12)}$$

4.2 A. If the Participant does not participate in, and has never participated in, any other qualified plan maintained by the Employer or a welfare benefit fund as defined in Section 419(e) of the Code, maintained by the Employer, or an individual medical account, as defined in Section 415(1)(2) of the Code, maintained by the Employer, which provides an Annual Addition as defined in Section 4.1A, the amount of Annual Additions which may be allocated under this Plan on a Participant's behalf for a Limitation Year shall not exceed the lesser of the Maximum Permissible Amount or any other limitation contained in this Plan. If the Employer Contribution that would otherwise be allocated to the Participant's Account would cause the Annual Additions for the Limitation Year to exceed the Maximum Permissible Amount, the amount allocated will be reduced so that the Annual Additions for the Limitation Year will equal the Maximum Permissible Amount.

B. Prior to the determination of the Participant's actual compensation for the Limitation Year, the Maximum Permissible Amount may be determined on the basis of a reasonable estimation of the Participant's compensation for such Limitation Year. Such estimated compensation shall be uniformly determined for all Participants similarly situated. Any Employer Contributions based on estimated compensation shall be reduced by any Excess Amounts carried over from prior years.

C. As soon as is administratively feasible after the end of the Limitation Year, the Maximum Permissible Amount for such Limitation Year shall be determined on the basis of the Participant's actual compensation for such Limitation Year.

D. If, pursuant to subsection (C) there is an Excess Amount with respect to a Participant for a Limitation Year, such Excess Amount shall be disposed of as follows:

(1) In the event that the Participant is in the service of the Employer which is covered by the Plan at the end of the Limitation Year, then such Excess Amounts must not be distributed to the Participant, but shall be reapplied to reduce future Employer Contributions under this Plan for the next Limitation Year and for each succeeding Limitation Year, as necessary, for such

Participant, so that in each such year the sum of actual Employer Contributions plus the reapplied amount shall equal the amount of Employer contributions which would otherwise be allocated to each Participant's Account.

(2) In the event that the Participant is not in the service of the Employer which is covered by the Plan at the end of the Limitation Year, then such Excess Amounts must not be distributed to the Participant, but shall be held unallocated in a suspense account. The suspense account will be applied to reduce future Employer Contributions for all remaining Participants under this Plan for the next Limitation Year and each succeeding Limitation Year, as necessary.

(3) If a suspense account is in existence at any time during the Limitation Year pursuant to this section, it will not participate in the allocation of the Plan's investment gains and losses. If a suspense account is in existence at any time during a particular Limitation Year, all amounts in the suspense account must be allocated and reallocated to Participant's Accounts before any Employer Contributions may be made to the Plan for that Limitation Year. Excess amounts may not be distributed to Participants or former Participants.

4.3 A. If, in addition to this Plan, the Participant is covered under another qualified defined contribution plan maintained by the Employer, or a welfare benefit fund (as defined in Section 419(e) of the Code, maintained by the Employer, or an individual medical account, as defined in Section 415(1)(2) of the Code maintained by the Employer, which provides an Annual Addition as defined in Section 4.1A), the amount of Annual Additions which may be allocated under this Plan on a Participant's behalf for a Limitation Year, shall not exceed the Maximum Permissible Amount reduced by the Annual Additions allocated to a Participant's Account under the other plans and welfare benefit funds for the same Limitation Year. If the Annual Additions with respect to the Participant under other defined contribution plans and welfare benefit funds maintained by the Employer are less than the Maximum Permissible Amount and the employer contribution that would otherwise be allocated to the Participant's Account under this Plan

would cause the Annual Additions for the Limitation Year to exceed this limitation, the amount allocated will be reduced so that the Annual Additions under all such plans and funds for the Limitation Year will equal the Maximum Permissible Amount. If the annual additions with respect to the Participant under such other Defined Contribution Plans and Welfare Benefit Funds in the aggregate are equal to or greater than the maximum permissible amount, no amount will be contributed or allocated to the Participant's account under this Plan for the Limitation Year.

B. Prior to the determination of the Participant's actual compensation for the Limitation Year, the Maximum Permissible Amount for the Limitation Year shall be determined in the manner described in Section 4.2B.

C. As soon as is administratively feasible after the end of the Limitation Year, the Maximum Permissible Amount for the Limitation Year shall be determined on the basis of the Participant's actual compensation for such Limitation Year.

D. If, pursuant to Section 4.3C or as a result of the allocation of forfeitures, a Participant's Annual Additions under this Plan and such other plans would result in an Excess Amount for a Limitation Year, the Excess Amount will be deemed to consist of the Annual Additions last allocated, except that Annual Additions attributable to a welfare benefit fund or individual medical account will be deemed to have been allocated first regardless of the actual allocation date.

E. If an Excess Amount was allocated to a Participant on an allocation date of this Plan which coincides with an allocation date of another plan, the Excess Amount attributed to this Plan will be the product of:

(1) the total Excess Amount allocated as of such date, times

(2) the ratio of (a) the Annual Additions allocated to the Participant for the Limitation Year as of such date under this Plan, to (b) the total Annual Additions allocated to the Participant for the Limitation Year as of such date under this and all other qualified defined contribution plans.

F. Any Excess Amounts attributed to this Plan shall be disposed of in the manner described in Section 4.2D.

4.4 If, in addition to this Plan, the Employer maintains, or at any time maintained, any qualified defined benefit plan, the sum of the Participant's Defined Benefit Plan Fraction and Defined Contribution Plan Fraction will not exceed 1.0 in any Limitation Year.

4.5 All Employees of the Associated Controlled Group shall be treated as employed by a single employer for purposes of applying the limitations of Article IV.

ARTICLE V

INVESTMENT OF CONTRIBUTIONS AND INDIVIDUAL ACCOUNTS

5.1 Individual Accounts:

The Plan Administrator shall maintain an individual Account for each Participant reflecting the amount in his Account. A Participant's Account shall reflect (i) the total amount of his Employer Contributions under Section 3.1, Rollover Contributions under Section 11.9 and his ESOP Account under Section 14.2, together with the earnings thereon and any increases or decreases thereof, and (ii) any payments and withdrawals on his behalf.

5.2 Valuation and Allocation of Accounts:

The value on any Valuation Date of a Participant's Account shall be equal to the value of his Account as of the preceding Valuation Date plus investment increases or decreases of such previous value, plus the amount of any contributions made on behalf of or by each Participant, and less any Participant withdrawals since the last Valuation Date. On such date, the earnings and losses of the trust will be allocated to each Participant's Account in the ratio that such Account balance bears to all Account balances or, if applicable, as set forth in section 5.4. The value of the Trust and the funds invested thereunder shall be equal to the fair market value of such funds on the appropriate date. The determination of each Participant's Account as finally established which takes place on each Valuation Date shall be made part of a report which will be provided to each Participant, as directed by the Employer, indicating the amounts added to and deducted from such Accounts during the preceding allocation period. Such determination shall constitute the value of the Participant's Account as of the Plan quarter the determination is made.

5.3 No Claim to Specific Assets:

The establishment or maintenance of an Account under this Plan on behalf of a Participant shall not give any Employer, Participant, Beneficiary, or other person any right to, or interest in, any specific assets of the Plan, except as may be expressly set forth herein.

5.4 Investment Elections:

The following investment options are available to hold contributions and earnings under the Plan:

(1) Employer Stock

(2) John Hancock Stable Value Fund

(3) John Hancock Diversified Stock Fund

(4) John Hancock Special Equities Fund.

(5) Fidelity Puritan Fund.

Each Participant may direct the investment of any Contributions made on his behalf under the Plan in one or more of the options described in the previous paragraph except that no Participant may elect to invest in option (1) pertaining to Employer Stock.

To the extent that each Participant retains investment direction over Contributions made on his behalf as described above, a Participant may elect to transfer from one investment fund to another investment fund (each such transfer shall be credited with earnings or losses attributable to its particular investment option) and shall determine the investment of contributions made on his behalf in whole percentages of not less than 10%, provided that no Participant may elect to transfer from any of the above options (1) through (5), or other such options as may be added by the Employer or Plan Administrator, into Employer Stock. A Participant may elect to transfer and/or change investment direction at least once every quarter, provided that the Plan Administrator may impose reasonable restrictions, on a uniform and nondiscriminatory basis, upon a Participant's transfer from Employer Stock, such as, but not limited to, limitations on the percentage or number of shares in a Participant's Account that the Participant may liquidate each quarter to accommodate thin trading or other legitimate concerns.

ARTICLE VI

HARDSHIP DISTRIBUTIONS

6.1 Withdrawal of Contribution:

A. Upon a showing of hardship by a Participant, the Plan Administrator may approve, once in any six-month period, the Participant's withdrawal, in cash only, of such portion of his vested Account as the Plan Administrator shall deem necessary to alleviate such hardship. Hardship distributions are subject to the spousal consent requirements contained in Code Sections 401(a)(11) and 417.

B. Funds shall be withdrawn in the following order from the Participant's account described in Section 5.1 as necessary to alleviate the hardship:

(1) Salary Reduction Contributions and interest, gain, or loss thereon.

(2) Profit-Sharing Contributions, if any, and interest, gain, or loss thereon.

(3) Matching Employer Contributions and interest, gain or loss thereon.

(4) Amounts credited to the ESOP Account.

6.2 For purposes of this Article VI, "hardship" shall refer to (1) medical expenses (as defined in Code Section 213(d)) incurred by the Participant or his spouse or dependants, (2) the purchase (excluding mortgage payments) of a principle residence of the Participant, (3) the payment of next semester's tuition for post-secondary education of the Participant or his spouse or dependents, or (4) the need to prevent eviction of the Participant from his principal residence or foreclosure on a mortgage on the Participant's principle residence.

6.3 Restrictions on Hardship Withdrawals:

A Participant may withdraw funds in accordance with this Article VI only if (1) the distribution does not exceed the amount needed on account of the hardship as described in Section 6.2 and (2) the Participant has obtained all distributions and loans currently available under all qualified plans maintained by the Employer.

ARTICLE VII

RETIREMENT, DEATH AND DISABILITY

7.1 Distribution Upon Retirement:

A. Retirement Benefit:

The retirement benefit payable to a Participant under the Plan is provided by the value of his Account on his retirement date after separation from service. A retiring Participant shall be completely vested in his Account on his Normal Retirement Age and his participation herein shall cease on his actual retirement date.

B. Retirement Dates:

(1) Normal Retirement:

Except as provided below in Section 7.1B(2) or 7.1B(3) a Participant shall retire on his Normal Retirement Date as described in Section 1.24.

(2) Disability Requirement:

A Participant may retire before his Normal Retirement Date and shall be completely vested if he terminates employment because he has incurred a Disability. The Plan Administrator shall determine, pursuant to objective and non-discriminatory rules applied in a uniform manner, whether a Disability has been incurred.

(3) Deferred Retirement:

Notwithstanding Section 7.1A above, if a Participant continues employment after his Normal Retirement Date, contributions on his behalf shall continue.

C. Qualified Joint and Survivor Annuity:

Notwithstanding Section 7.1D, a married Participant who retires under the Plan shall receive his benefit in the form of a Qualified Joint and Survivor Annuity and an unmarried Participant shall receive his benefit in the form of a life annuity, unless the Participant

has elected an optional form of benefit, pursuant to a Qualified Election (as defined in Section 7.4), within the 90 day period ending on the Annuity Starting Date. The Annuity Starting Date is the first day of the first period for which an amount is paid as an annuity or other form.

D. Optional Settlement Modes:

Subject to Section 7.1C, every retiring Participant may elect, in writing, to receive his retirement benefit in one of the following forms of payment:

(1) a lump sum payment;

(2) a Qualified Joint and Survivor Annuity (as defined in Section 1.31);

(3) an annuity payable only for his lifetime; or

(4) an annuity payable for his lifetime with a minimum guarantee of 10 years of payments.

If a Participant's benefit is to be distributed over (1) a period not extending beyond the life expectancy of the Participant or the joint life and last survivor expectancy of the Participant and the Participant's designated Beneficiary, or (2) a period not extending beyond the life expectancy of the designated Beneficiary, the amount required to be distributed for each calendar year beginning with the first distribution calendar year, must be at least equal to the quotient obtained by dividing the Participant's benefit by the applicable life expectancy. For calendar years beginning before January 1, 1989, if the Participant's Spouse is not the designated Beneficiary, the method of distribution selected must assure that at least 50% of the present value of the amount available for distribution is paid within the life expectancy of the Participant. For calendar years beginning after December 31, 1988, the amount to be distributed each year, beginning with distributions for the first distribution calendar year shall not be less than the quotient obtained by dividing the Participant's benefit by the lesser of: (1) the applicable life expectancy, or (2) if the Participant's Spouse is not the designated Beneficiary, the applicable divisor determined from the table set forth in Q & A-4 of Section 1.401(a)(9)-2 of the Income Tax Regulations.

Distributions after the death of the Participant shall be distributed using the applicable life expectancy as the relevant divisor without regard to Regulations Section 1.401(a)(9)-2.

The minimum distribution required for the Participant's first distribution calendar year must be made on or before the date dictated in Section 7.1F. The minimum distribution for other calendar years, including the minimum distribution for the distribution calendar year in which the date dictated in Section 7.1F occurs, must be made on or before December 31 of that distribution calendar year.

If the Participant's benefit is distributed in the form of an annuity purchased from an insurance company, distributions thereunder shall be made in accordance with the requirements of Section 401(a)(9) of the Code and the regulations thereunder.

E. Payment of Retirement Benefits:

When benefits are payable, the Plan Administrator shall commence the payment of retirement benefits pursuant to the settlement mode elected by the Participant.

Unless the Participant otherwise elects in writing, distribution of benefits will begin no later than the 60th day after the later of the close of the Plan Year or Short Plan Year in which:

(1) such Participant attains the age 65;

(2) Participant terminates his service with the Associated Controlled Group.

Any annuity contract distributed herefrom shall be endorsed so that it is non-transferable.

The terms of any annuity contract purchased and distributed by the Plan to a Participant or Spouse shall comply with the requirements of this Plan.

F. Timing of Distributions:

(1) Notwithstanding Sections 7.1B and 7.1E, distribution of a Participant's entire interest shall commence no later than his required beginning date, which shall be the April 1st

following the calendar year in which the Participant attains age 70 1/2.

The minimum distribution required for the Participant's first distribution calendar year must be made on or before the Participant's required beginning date. The minimum distribution for other calendar years, including the minimum distribution for the distribution calendar year in which the Participant's required beginning date occurs, must be made on or before December 31st of that distribution calendar year.

(2) Section 7.1F(1) does not apply to a Participant who meets the following requirements:

(1) The distribution by the Plan is one which would not have disqualified such Plan under Section 401(a)(9) of the Code as in effect prior to amendment by the Deficit Reduction Act of l984.

(2) The distribution is in accordance with a method of distribution designated by the Participant whose interest in the Plan is being distributed or, if the Participant is deceased, by a Beneficiary of the Participant.

(3) Such designation was in writing, was signed by the Participant or Beneficiary, and was made before January 1, 1984,

(4) The Participant had accrued a benefit under the Plan as of December 31, 1983,

(5) The method of distribution designated by the Participant or the Beneficiary specifies the time at which distribution will commence, the period over which distributions will be made, and in the case of any distribution upon the Participant's death, the Beneficiaries of the Participant listed in order of priority.

A distribution upon death will not be covered by this section unless the information in the designation contains the required information described above with respect to the distributions to be made upon the death of the Participant.

For any distribution which commences before January 1, 1984, but continues after December 31, 1983, the Participant, or the Beneficiary, to whom such distribution is being made, will be presumed to have designated the method under which the distribution is being made if the method of distribution was specified in writing and the distribution satisfies the requirements in subsections (a) and (e) above.

If a designation is revoked, any subsequent distribution must satisfy the requirements of Section 401(a)(9) of the Code and the regulations thereunder. If a designation is revoked subsequent to the date distributions are required to begin, the Trust must distribute by the end of the calendar year following the calendar year in which the revocation occurs the total amount not yet distributed which would have been required to have been distributed to satisfy Section 401(a)(9) of the Code and the regulations thereunder, but for the Section 242(b)(2) election. For calendar years beginning after December 31, 1988, such distributions must meet the minimum distribution incidental benefit requirements in Section 1.401(a)(9)-2 of the Income Tax Regulations. Any changes in the designation will be considered to be a revocation of the designation. However, the mere substitution or addition of another Beneficiary (one not named in the designation) under the designation will not be considered to be a revocation of the designation so long as such substitution or addition does not alter the period over which distributions are to be made under the designation, directly or indirectly (for example, by altering the relevant measuring life). In the case in which an amount is transferred or rolled over from one plan to another, the rules in Q & A J-2 and J-3 shall apply.

G. The following definitions shall apply for purposes of this Section 7.1:

(1) "Applicable life expectancy" shall be the life expectancy (or joint and last survivor expectancy) calculated using the attained age of the Participant (or designated Beneficiary) as of the Participant's (or designated Beneficiary's)

birthday in the applicable calendar year reduced by one for each calendar year which has elapsed since the date life expectancy was first calculated. If life expectancy is being recalculated, the applicable life expectancy shall be the life expectancy as so recalculated. The applicable calendar year shall be the first distribution calendar year, and if life expectancy is being recalculated, such calendar year.

(2) "Distribution calendar year" shall be a calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin pursuant to Section 7.2 below.

(3) Life expectancy and joint and last survivor expectancy are computed by use of the expected return multiples in Title V and VI of Section 1.72-9 of the income tax regulations. Life expectancies of a Participant or Spouse shall be recalculated annually. The life expectancy of a non-spouse Beneficiary shall not be recalculated.

(4) A Participant's benefit shall be his Account balance as of the last Valuation Date in the calendar year immediately preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions allocated to the Account balance as of dates in the valuation calendar year after the Valuation Date and decreased by distributions made in the valuation calendar year after the Valuation Date. For purposes of the above, if any portion of the minimum distribution for the distribution calendar year is made in the second distribution calendar year, on or before the required beginning date, the amount of the minimum distribution made in the second distribution calendar year shall be treated as if it had been made in the immediately preceding distribution calendar year.

7.2 Distribution Upon Death:

A. If a Participant dies prior to his termination of employment, he shall be completely vested in his Account. The Plan Administrator may always require proof of death for payment of death benefits.

B. The benefit payable upon the death of a Participant shall be provided pursuant to this section:

(1) If so elected by the Participant, the Participant's benefit shall be paid to his Beneficiary in a lump sum payment as soon as practicable after the Plan Administrator receives the required proof of death.

(2) In the event a married Participant dies before the Annuity Starting Date (as defined in Section 7.1C), the Participant's Account shall be applied toward the purchase of a Qualified Pre-retirement Survivor Annuity, unless an optional form of benefit has been elected within the election period pursuant to a Qualified Election (as defined in Section 7.4).

A Qualified Pre-retirement Survivor Annuity is an annuity for the life of the surviving Spouse which is the actuarial equivalent of the Account payable upon the Participant's death. The surviving Spouse may elect to have such annuity distributed within a reasonable period after the Participant's death, and to receive the actuarial equivalent of such annuity in any of the forms of payment indicated in Section 7.1D.

The election period begins on the first day of the Plan Year in which the Participant attains age 35 and ends on the date of the Participant's death. If a Participant separates from service prior to the first day of the Plan Year in which age 35 is attained, the election period shall begin on the date of separation.

If the Participant is not married, such benefit shall be paid to the designated Beneficiary or, if none, to the Participant's estate. The Participant's Beneficiary or, if none, his estate may elect any of the forms of payment indicated in Section 7.1D.

(3) In the event a Participant dies after the Annuity Starting Date the remaining retirement benefit, if any, shall be distributed to the Beneficiary at least as rapidly as under the method of distribution being used prior to the Participant's death.

C. (1) (a) Notwithstanding Section 7.2B(2), if the Participant dies before distribution of his or her interest begins, distribution of the Participant's entire interest shall be completed by December 31st of the calendar year containing the fifth anniversary of the Participant's death except to the extent that an election is made to receive distributions in accordance with (i) or (ii) below:

(i) if any portion of the Participant's interest is payable to a designated Beneficiary, distributions may be made over the life or over a period certain not greater than the life expectancy of the designated Beneficiary commencing on or before December 31st of the calendar year immediately following the calendar year in which the Participant died;

(ii) if the designated Beneficiary is the Participant's surviving Spouse, the date distributions are required to begin in accordance with (i) above shall not be earlier than the later of (1) December 31st of the calendar year immediately following the calendar year in which the Participant died and (2) December 31st of the calendar year in which the Participant would have attained age 70-1/2.

(b) If the Participant has not made an election pursuant to this Section 7.2C(1) by the time of his or her death, the Participant's designated Beneficiary must elect the method of distribution no later than the earlier of (a) December 31st of the calendar year in which distributions would be required to begin under this section, or (b) December

31st of the calendar year which contains the fifth anniversary of the date of death of the Participant. If the Participant has no designated beneficiary, or if the designated beneficiary does not elect a method of distribution, distribution of the Participant's entire interest must be completed by December 31st of the calendar year containing the fifth anniversary of the Participant's death.

(c) For purposes of this section, if the surviving Spouse dies after the Participant, but before payments to such Spouse begin, the provisions of this section with the exception of paragraph (ii) herein, shall be applied as if the surviving Spouse were the Participant.

(2) For purposes of this Section 7.2C, any amount paid to a child of the Participant will be treated as if it had been paid to the surviving Spouse if the amount becomes payable to the surviving Spouse when the child reaches the age of majority.

(3) Sections 7.2C(1) and 7.2C(2) do not apply to any Employee who was a Participant with an accrued benefit on or before December 31, 1983, and who completed the necessary election form used to waive these distribution requirements as described in Section 7.1F(2).

(4) For the purposes of this Section 7.2, distribution of a Participant's interest is considered to begin on the Participant's required beginning date (or, if Section 7.2C(1)(c) above is applicable, the date distribution is required to begin to the surviving spouse pursuant to Section 7.2C(1)(a) above). If distribution in the form of an annuity irrevocably commences to the Participant before the required beginning date, the date distribution is considered to begin is the date distribution actually commences.

7.3 Designation of Beneficiary and Settlement Upon Death:

Every Participant shall designate on a form satisfactory to the Plan Administrator a Beneficiary of any benefits or

proceeds under the Plan which may become payable at his death. A Participant's Spouse will be deemed to be the designated Beneficiary, unless the Participant elects otherwise and the Spouse consents to the designation in accordance with Section 7.4. Every Participant may also elect (pursuant to a Qualified Election as defined in Section 7.4) any optional settlement mode other than the Qualified Joint and Survivor Annuity or the Qualified Pre-retirement Survivor Annuity permitted hereunder for such proceeds or benefits. A Participant may change a prior election by notifying the Plan Administrator in writing. If a Participant has not designated a Beneficiary pursuant to this section, the Trustee shall make payment of any death benefits to the Participant's Spouse, or, if none, to the Participant's estate.

7.4 Qualified Election

For purposes of this Article, a Qualified Election shall mean waiver of a Qualified Joint and Survivor Annuity or a Qualified Pre-retirement Survivor Annuity. Any waiver of a Qualified Joint and Survivor Annuity or a Qualified Pre-retirement Survivor Annuity shall not be effective unless: (a) the Participant's spouse consents in writing to the election; (b) the election designates a specific Beneficiary, including any class of beneficiaries or any contingent beneficiaries, which may not be changed without spousal consent (or the Spouse expressly permits designations by the Participant without any further spousal consent); (c) the Spouse's consent acknowledges the effect of the election; and (d) the Spouse's consent is witnessed by a Plan representative or notary public. Additionally, a Participant's waiver of the Qualified Joint and Survivor Annuity shall not be effective unless the election designates a form of benefit payment which may not be changed without spousal consent (or the Spouse expressly permits designations by the Participant without any further spousal consent). If it is established to the satisfaction of a Plan representative that there is no Spouse or that the Spouse cannot be located, a waiver will be deemed a Qualified Election.

Any consent by a Spouse obtained under this provision (or establishment that the consent of a Spouse may not be obtained) shall be effective only with respect to such Spouse. A consent that permits designations by the Participant without any requirement of further consent by such Spouse must acknowledge that the Spouse has the right to limit consent to a specific beneficiary, and a specific form of benefit where applicable, and that the Spouse

voluntarily elects to relinquish either or both of such rights. A revocation of a prior waiver may be made by a Participant without the consent of the Spouse at any time before the commencement of benefits. The number of revocations shall not be limited. No consent obtained under this provision shall be valid unless the Participant has received notice as provided in Section 7.5 below.

7.5 Notice Requirements:

In the case of a Qualified Joint and Survivor Annuity as described in Section 7.1C, the Plan Administrator shall provide each Participant no less than 30 days and no more than 90 days prior to the Annuity Starting Date a written explanation of: (i) the terms and conditions of a Qualified Joint and Survivor Annuity; (ii) the Participant's right to make and the effect of an election to waive the Qualified Joint and Survivor Annuity form of benefit; (iii) the rights of a Participant's Spouse; and (iv) the right to make, and the effect of, a revocation of a previous election to waive the Qualified Joint and Survivor Annuity.

In the case of a Qualified Pre-retirement Survivor Annuity as described in Section 7.2B, the Plan Administrator shall provide each Participant within the applicable period a written explanation of the Qualified Pre-retirement Survivor Annuity in such terms and in such manner as would be comparable to the explanation provided for meeting the above requirements applicable to a Qualified Joint and Survivor Annuity. The applicable period for a Participant is whichever of the following periods ends last: (i) the period beginning with the first day of the Plan Year in which the Participant attains age 32 and ending with the close of the Plan Year preceding the Plan Year in which the Participant attains age 35; (ii) a reasonable period ending after the individual becomes a Participant; (iii) a reasonable period ending after this article first applies to the Participant. Notwithstanding the foregoing, notice must be provided within a reasonable period ending after separation of service in case of a Participant who separates from service before attaining age 35.

For purposes of the preceding paragraph, a reasonable period ending after the enumerated events described in (ii) and (iii) is the end of the two year period beginning one year prior to the date the applicable event occurs and ending one year after that date. In the case of a Participant who separates from service before the Plan Year in which age 35 is attained, notice shall be provided within the two year period beginning one year prior to separation and ending one

year after separation. If such a Participant thereafter returns to employment with the Employer, the applicable period for such Participant shall be redetermined.

7.6 Overriding Provisions:

The provisions of this Article VII shall take precedence over any conflicting provisions in this Plan.

7.7 Distribution at age 59-1/2:

A Participant who is fully vested in his Employer Contribution Account and who has attained age 59-1/2 shall be eligible to receive, once in any Plan Year, a pre-retirement distribution equal to all or part of the full value of his Employer Contribution Account, calculated as of the Valuation Date next following the date the Sponsor receives notice from the Employer of such request.

7.8 Distribution in Employer Stock

A. Except for a Hardship Distribution under Article VI of this Plan, a Participant who (i) is entitled to any other distribution under the Plan and (ii) properly elects to receive such distribution in the form of a lump sum, may elect to receive the distribution in whole shares of Employer Stock, to the extent of Employer Stock held in his Account at the time of the distribution.

B. If a Participant receives a Plan distribution consisting of Employer Stock under section 7.8A, the Put Option set forth in section 14.2C shall apply.

ARTICLE VIII

VESTING: TERMINATION OF EMPLOYMENT

8.1 Vested Interest Upon Termination:

A. A Participant's vested or non-forfeitable right to a benefit under this Plan shall mean his claim to a part or all of an immediate or deferred Plan benefit which arises from his employment, which right is unconditional and legally enforceable against the Plan. The extent of such vested or non-forfeitable right in his Account shall be determined at the date on which he terminated his employment with the Employer or, if appropriate, the Associated Controlled Group, for any reason other than retirement, death, or Disability. A Participant shall always have a non-forfeitable right to the portion of his Account attributable to Salary Reduction Contributions, Matching Employer Contributions, any Profit-Sharing Contributions and any Rollover Contributions.

B. A Participant's Account subject to the provisions of Section 8.1A shall include amounts due but not yet allocated to the Participant's Account upon termination. For purposes of this paragraph, the Account shall be valued after the notification of the Employer, but not later than the later of (i) 60 days after the notification, or (ii) the last day of the Plan Year in which such notification occurred.

8.2 Amended Vesting Schedule:

A. If the Plan's vesting schedule is amended, or the Plan is amended in any way that directly or indirectly affects the computation of the Participant's non-forfeitable percentage may elect, within a reasonable period after the adoption of the amendment or change, to have the non-forfeitable percentage computed under the Plan without regard to such amendment or change. Furthermore, if the vesting schedule of the Plan is amended, in the case of an Employee who is a Participant as of the later of the date such amendment is adopted, or the date it becomes effective, the non-forfeitable percentage (determined as of such date) of such Employee's right to his Employer-derived benefit will not be less than his percentage computed under the Plan without regard to such amendment.

The period during which the election may be made shall commence with the date the amendment is adopted or deemed to be made and shall end on the latest of:

(1) 60 days after the amendment is adopted;

(2) 60 days after the amendment becomes effective; or

(3) 60 days after the Participant is issued written notice of the amendment by the Employer or Plan Administrator.

8.3 Non-forfeiture of Minimum Contribution

The Minimum Contribution required (to the extent required to be non-forfeitable under Section 416(b) of the Code) may not be forfeited under Sections 411(a)(3)(B) or 411(a)(3)(D) of the Code.

8.4 Distribution:

A. The Plan Administrator shall direct the Trustee to distribute the Participant's vested interest in the Account. The distribution shall be in the form of lump sum or an annuity contract depending on the Participant's election(s).

B. A Participant who:

(1) terminates service shall be subject to Section 7.1C regardless of when benefits commence;

(2) terminates service and dies before benefits commence shall be subject to Section 7.2B(2).

C. Notwithstanding this Section 8.4, the provisions of Section 7.1F(1) shall apply unless the Employee was a Participant with an accrued benefit on or before December 31, 1983 and who has met the requirements specified in Section 7.1F(1).

D. If a Participant properly elects to receive his distribution in a lump sum, the distribution may be in cash or in kind, including whole shares of Employer Stock to the extent such Stock is then allocated to the Participant's Account. A Participant shall have the right to receive a distribution in Employer Stock in accordance with Section 7.8.

8.5 Consent to Distribution:

If the value of a Participant's vested Account balance derived from Employer and Employee contributions exceeds (or at the time of any prior distribution exceeded) $3,500, the Participant and the Participant's Spouse (or where either the Participant or the Spouse has died, the survivor) must consent to any distribution of such Account balance. The consent of the Participant and the Participant's Spouse shall be obtained in writing within the 90-day period ending on the Annuity Starting Date. The Annuity Starting Date is the first day of the first period for which an amount is paid as an annuity or any other form. The Plan Administrator shall notify the Participant and the Participant's Spouse of the right to defer any distribution until the Participant's Normal Retirement Age. Such notification shall include a general description of the material features, and an explanation of the relative values of, the optional forms of benefit available under the plan in a manner that would satisfy the notice requirements of Section 417(a)(3) of the Code and shall be provided no less than 30 days and no more than 90 days prior to the Annuity Starting Date.

Notwithstanding the foregoing, only the Participant need consent to the commencement of a distribution in the form of a Qualified Joint and Survivor Annuity. Neither the consent of the Participant nor the Participant's Spouse shall be required to the extent that a distribution is required to satisfy Section 401(a)(9) or Section 415 of the Code.

For purposes of determining the applicability of the foregoing consent requirements to distributions made before the first day of the first plan year beginning after December 31, 1988, the Participant's vested Account balance shall not include amounts attributable to accumulated deductible employee contributions within the meaning of Section 72(o)(5)(B) of the Code.

ARTICLE IX

DUTIES OF PLAN ADMINISTRATOR AND TRUSTEE

9.1 Duties of Plan Administrator:

The Plan Administrator will control and manage the operation and administration of the Plan. The Plan Administrator's primary responsibilities in this regard shall include, but are not limited to, the following:

A. Administer the Plan by the general rules in the Plan document on a uniform basis so as not to discriminate in favor of any Participant, and for the exclusive benefit of the Participants and their Beneficiaries;

B. Resolve all questions relating to Employee participation and the payment of benefits under the Plan;

C. Maintain all necessary records for the administration of the Plan and pay all associated costs for the administration of the Plan;

D. Serve as the agent for the service of legal process with respect to the Plan;

E. Notify, counsel, and assist Participants and Beneficiaries regarding any rights, benefits, or elections available under the Plan;

F. Prepare and file proper forms for tax qualification status and any reports and tax forms as may be required from time to time by any governmental agency;

G. Implement the claims review procedure under Section 11.7;

H. Appoint agents or employ Persons to assist in administering the Plan;

I. Review and administer any request by a Participant who chooses to exercise his right to direct investments under Section 9.3;

J. Administer the federal income tax withholding requirements for Plan distributions to Participants and provide Participant election forms for determining withholding status.

K. Perform plan related duties with respect to a qualified domestic relations order as required by section 414(p) of the Code.

L. Provide written explanation of rollover treatments when making a qualifying rollover distribution.

If the Employer appoints another Person as Plan Administrator, such appointment must be in writing. The Employer may make a written revocation of his selection of the Plan Administrator. The resignation of the Plan Administrator must be in writing.

9.2 Multiple Fiduciaries:

Any Person or Persons may serve in more than one fiduciary capacity with respect to the Plan (including service both as Trustee and Plan Administrator). Where more than one Person serves as Plan Administrator, such Persons may agree in writing to allocate among themselves the various powers and duties prescribed in Section 9.1, provided all such Persons sign such agreement. A copy of any such agreement shall be retained with the other Plan documents.

9.3 Administration of Investments:

The Trustee shall receive all contributions to this Plan, and shall hold and, except to the extent an investment manager is given such authority, manage such amounts, together with the income therefrom, as a fund in trust according to the terms of the Trust. The Trustee shall invest and reinvest the funds of this Plan, and shall keep funds invested, without distinction between principal and income, in such property, real or personal, as he shall deem advisable, including but not limited to common and preferred stocks, bonds, mortgages, mutual funds, other evidences of indebtedness or ownership, and annuity contracts as provided under this Plan. The Trustee shall establish and maintain a funding policy to carry out the objectives of the Plan, except to the extent that an investment manager has been appointed under Section 9.4, in which event the Trustee shall be subject to the direction of the investment manager. In making investments, the Trustee has wide latitude in the selection of investments. However, the Trustee shall exercise the judgment and care under the circumstances then prevailing, which men of prudence, discretion, and intelligence familiar with such matters exercise in a like situation and shall diversify such investments so as to minimize the risk of large losses. If two or more Persons are designated as Trustee, each is required to use

reasonable care to insure that his fellow Trustees do not breach their responsibilities.

Notwithstanding the provisions of the last paragraph, each Participant may determine how all of his Account shall be invested. Such an election to direct investments shall be subject to the following terms and conditions:

A. Each Participant may, upon completion of such forms as the Plan Administrator may require, direct the Trustee to invest his Account, or the applicable portion thereof, on an allocated basis, into such investments as the Participant so elects.

B. If a Participant chooses to exercise his right to direct investments but fails to comply with all the requirements established by the Plan Administrator, the Participant's Account shall not be subject to this paragraph.

C. Upon the Participant's completion of all the acts required by the Plan Administrator, the Trustee shall then carry out the instructions of the Participant within a reasonable amount of time. The right to direct investments shall not be construed as creating any additional rights in such portion of an Account and such portion shall only be vested and distributed in accordance with the provisions of the Plan.

D. If a Participant elects to direct investments in accordance with this paragraph, the entire portion of his Account in which he retains investment direction, as described in Section 5.4, must be so invested.

The funding policy specified in this section shall not apply to those accounts which are being invested in accordance with the instructions of the Participant exercising his right to direct investments. Neither the Plan Administrator nor Trustee shall be responsible for the nature of any directed investments.

If any Participant elects to direct investments, the assets of the Plan for all Participants must be purchased and held on an allocated account basis. Each Participant who does not direct the investment of his Account shall have a ratable interest in all assets of the trust not subject to such directed investment.

9.4 Investment Manager:

The Employer may appoint and retain an investment manager to manage part or all of the assets of the Plan (including the power to acquire and dispose of such assets). No such appointment shall become effective until the investment manager enters into a signed agreement with the Employer accepting such appointment. If an investment manager is appointed pursuant to this section, it shall be his responsibility to establish and maintain a funding policy for the Plan as well as to direct the Trustee in investing Plan assets under its charge in accordance with Section 9.3.

The responsibilities of the investment manager as specified in this section shall not apply to those Accounts, or portions thereof, which are being invested in accordance with the instructions of the Participant exercising his right to direct investments.

9.5 Expenses:

The Employer may reimburse the Trustee, Plan Administrator and investment manager, if any, for all reasonable expenses incurred by them because of the Plan's operation. The Trustee, Plan Administrator and investment manager, if any, may receive reasonable compensation for services rendered to the Plan and may be reimbursed for all expenses reasonably incurred in performing their duties hereunder. However, if any of these Persons already receives full-time compensation from the Employer, or from an association of Employers whose Employees are Participants herein, or from an Employee organization whose members are Participants herein, such Person shall be reimbursed only for expenses properly and actually incurred, and not receive any additional compensation. Such expenses and compensation shall be charged against the trust unless they shall previously have been paid directly by the Employer.

The Employer may pay all the administrative costs of the Trust in addition to the contribution determined pursuant to Article III.

If the Employer elects not to pay any of the reasonable expenses of the Plan or trust, such expenses shall be paid by the Plan.

9.6 Accounting:

The Plan Administrator shall keep accurate and detailed accounts of all transactions made with respect to the Plan's funds or Plan's operation. All books, records and other

material relating to such transactions may be inspected at any time by any Person authorized by the Employer. Not more than once during any Plan Year, the Plan Administrator shall, upon receipt of a request in writing from any Participant or Beneficiary, furnish to such Participant or Beneficiary the latest available information concerning his total accrued benefits and his vested accrued benefits, if any, or the earliest date on which such benefits will become vested.

ARTICLE X

PLAN AMENDMENT AND TERMINATION

10.1 Amendment by Employer's Board of Directors:

Subject to Section 10.2, the Board of Directors of the Employer at a regularly constituted Board Meeting in accordance with the Board's established procedures for conducting business may elect to amend the Plan at any time.

10.2 Amendment Restrictions:

A. No Plan amendment may:

(1) Cause a reversion of funds to the Employer, except to the extent provided in Section 10.5 or Section 11.4;

(2) Have any retroactive effect which deprives any Participant of any portion of his Account, or eliminates an optional form of distribution, except where the amendment is required in order to conform to Federal or State laws, regulations, or rulings; or

(3) Increase the duties or responsibilities of the Trustee, investment manager, or Plan Administrator without their written consent.

B. Notwithstanding anything to the contrary contained in this Plan, the provisions of Section 3.1C. of this Plan pertaining to the amount, price and timing of awards under that Section of this Plan may not be amended more than once every six months, other than to comport with changes in the Internal Revenue Code, ERISA, or the rules thereunder. For this purpose an "award" of the Employer Stock means the allocation to Participants' Accounts of Employer Stock under Section 3.1.C.

10.3 Voluntary Termination of Plan:

Although the Employer intends to continue this Plan and to make regular contributions hereunder, the Employer reserves the right to terminate the Plan at any time, and its continuance is not guaranteed. Termination of the Plan shall be effective upon delivery of the Employer's written

notice of such termination to the Plan Administrator and Trustee.

10.4 Involuntary Termination of Plan:

This Plan shall terminate if the Employer shall be dissolved, declared bankrupt or insolvent or shall be merged with another company, except that any successor in business may continue the Plan by assuming its obligations.

10.5 Distribution Upon Plan Termination:

In the event of the termination, partial termination, or complete discontinuance of contributions hereunder, the Account of each affected Participant shall be non-forfeitable. The Plan Administrator shall, after paying any expense properly chargeable to the Plan's assets, distribute the assets in accordance with the Account of each affected Participant upon the Participant's separation from service, death or disability, or if the Plan is terminated without the establishment of another defined contribution plan. The Plan Administrator's determination with respect to any distribution made hereunder shall be final and conclusive upon all parties claiming beneficial interests hereunder.

Excess allocations determined in accordance with Section 4.2, to the extent that such excess allocations have not been used to reduce Employer contributions at the time of plan termination, shall be returned to the Employer provided that the Employer has made all contributions required under the Plan.

ARTICLE XI

MISCELLANEOUS

11.1 Taxes:

All taxes of whatever nature that may be levied or assessed under present or future laws against the Plan and Trust with respect to this Plan by any jurisdiction shall be paid by the Plan Administrator from the Plan assets in such manner as he shall determine. However, any such taxes that are chargeable to any Participant's Account shall be allocated to it. If no allocation is possible or necessary, any tax levied or assessed shall be charged pro rata to all Participants' Accounts.

11.2 Employment Relationship:

No Plan provision shall be construed as creating or modifying any contract between the Employer and any Employee, or have any effect upon the terms or conditions of any employment relationship.

11.3 Non-alienation of Benefits:

No benefit or interest provided by this Plan will be subject to assignment or alienation, either voluntarily or involuntarily. The preceding sentence shall also apply to the creation, assignment, or recognition of a right to any benefit payable with respect to a Participant pursuant to a domestic relations order, unless such order is determined to be a qualified domestic relations order, as defined in Section 414(p) of the Code, or any domestic relations order entered before January 1, l985.

11.4 Reversion of Employer Contributions:

Application to the Internal Revenue Service for a determination letter shall be made by the Plan Administrator as soon as practicable. Notwithstanding any other provision in this Plan, if the Internal Revenue Service should determine that the Plan does not continue to qualify under Section 401(a) of the Code, the Trustee shall return to the Employer within one (1) year after the date of such denial of qualification all contributions made by the Employer less any administrative expense incurred by the Plan Administrator or Trustee, but only if the application for continued qualification is made by the time prescribed by law for filing the Employer's return for the taxable year in

which the Plan is adopted, or such later date as the Secretary of the Treasury may prescribe.

Further, if an Employer Contribution is disallowed at any time as a deduction pursuant to Section 404 of the Code, such contribution may be returned to the Employer to the extent disallowed, less any administrative expenses incurred by the Plan Administrator and Trustee, within one (1) year after disallowance. Further, if an Employer Contribution is made by reason of a mistake of fact, the amount of the mistaken payment may be returned to the Employer within one (1) year of the mistaken payment of the contribution.

Every Participant and Beneficiary shall have those rights as stated in this Plan, but such rights will be subject to the Employer's right of reversion as stated herein.

11.5 Reversion of Assets:

The assets of the Plan, including all amounts contributed and any increments thereon, shall never inure to the benefit of the Employer and shall be held for the exclusive purposes of providing benefits to Participants and to their Beneficiaries as well as defraying the reasonable expenses of administering the Plan, except as provided in Sections 10.5 and 11.4.

11.6 Merger or Consolidation of Plan:

In the case of any merger or consolidation with, or transfer of assets or liabilities to any other plan, each Participant will be entitled to receive (if the Plan then terminated) a benefit immediately after such merger, consolidation, or transfer which is equal to or greater than the benefit he would have been entitled to receive immediately before the merger, consolidation, or transfer (if the Plan had then been terminated).

11.7 Claims Review:

A claim or request for a Plan benefit must be filed in writing with the Plan Administrator. If a claim is denied, in whole or in part, the Plan Administrator shall notify the claimant in writing of the reasons for the denial within 90 days after the claim was filed. The Plan Administrator may have 90 additional days in special circumstances, if the Participant is notified. Such notice shall refer to the pertinent Plan provisions on which the denial is based; describe and explain the need for any additional material or

information necessary to perfect the claim; and call attention to or explain the Plan's claim review procedure.

A claimant, or his duly authorized representative, may appeal the denial of a claim by submitting a written request for a review to the Plan Administrator within 120 days after the notice of denial has been received by the claimant. In the course of such a review, the claimant, or his representative, may review pertinent documents and may submit issues and comments in writing to the Plan Administrator.

The Plan Administrator shall notify the claimant of its decision within 60 days after the Plan Administrator's receipt of the request for review. The decision shall be in writing and shall include specific reasons for the decision and specific references to the provisions of the Plan on which the decision is based. The time for a decision may be extended to 120 days in special circumstances, if the Participant is so notified.

11.8 Notice to Interested Parties:

When the Employer submits this Plan to the Internal Revenue Service for an advance determination letter regarding its qualification, such Employer shall notify in the appropriate manner all Employees who are employed at the time of such submission.

11.9 Transfer of Assets:

The Employer may cause to be transferred to the Trustee all or any of the assets held in respect of any other plan or trust which satisfies the applicable requirements of the Code relating to qualified plans and trusts, which is or was maintained by the Employer for the benefit of its Employees provided such transfer does not violate Code Section 411(d). Any such assets so transferred shall be accompanied by written instructions from the Employer or the Trustee or custodian holding such assets, setting forth the Participants for whose benefit such assets have been transferred and showing separately the respective contributions by the Employer and by the Participants and the current value of the assets attributable thereto. Upon receipt of such assets and instructions, the Trustee shall thereafter proceed in accordance with the provisions of this Plan.

11.10 Waiver of Required Notice

With respect to a distribution exceeding $3500 as described in Code section 411(a)(11) and with respect to the written explanation regarding the direct rollover provisions of Code section 401(a)(31), a Participant may waive the required 30 day notice provided that:

(1) the Plan Administrator clearly informs the Participant that the Participant has a right to a period of at least 30 days after receiving the notice to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option), and

(2) the Participant, after receiving the notice, affirmatively elects a distribution

ARTICLE XII

TOP-HEAVY PLAN REQUIREMENTS

12.1 Superseding Article:

If the Plan is or becomes Top-Heavy or Super Top-Heavy in any Plan Year, the provisions of this Article will supersede any conflicting provisions in the Plan.

12.2 Limit on Compensation:

For any Plan Year in which the Plan is Top-Heavy or Super Top-Heavy, only the first $150,000 (or such larger amount as may be prescribed by the Secretary of the Treasury or his delegate) of a Participant's annual Compensation shall be taken into account for purposes of determining Employer Contributions under the Plan.

12.3 Minimum Contributions:

The following requirement shall apply for any Plan Year in which the Plan is Top-Heavy or Super Top-Heavy:

A. Except as otherwise provided in Sections 12.3C below, a Minimum Contribution shall be allocated on behalf of any Participant who is not a Key Employee in an amount not less than the lesser of 3% of such Employee's Compensation, or in a case when the Employer has no defined benefit plan designating this Plan to satisfy Code Section 401, the largest percentage of Employer Contributions and forfeitures, as a percentage of the first $150,000 of the Key Employee's Compensation, allocated on behalf of any Key Employee for that year.

   The Minimum Contribution is determined without regard to any Social Security contribution and without regard to any Matching Employer Contribution made on behalf of an Employee who is not a Key Employee. The Minimum Contribution shall be made for an Employee even though, under other Plan provisions, the Employee would not otherwise be entitled to receive an allocation, or would have received a lesser allocation for the year.

B. For purposes of computing the Minimum Contribution, Compensation will mean Compensation as defined in Section 4.1B.

C. The provision in Section 12.3A above shall not apply to any Participant who was not employed by the Employer on the last day of the Plan Year.

D. If the Employer maintains a defined benefit pension plan, "5%" shall be substituted for "3%" in Section 12.3A.

E. If the Employer maintains another qualified retirement plan, and the provisions of Section 12.3D do not apply, "4%" shall be substituted for "3%" in Section 12.3A.

12.4 Modifications to Limitation on Allocations:

If the Plan is Super Top-Heavy, 100% will be substituted for 125% in Section 4.1C and in Section 4.1D.

12.5 Definitions:

For purposes of this Article XII, the following definitions shall apply:

A. "Determination Date": For any Plan Year subsequent to the first Plan Year, the last day of the preceding Plan Year. For the first Plan Year of the Plan, the last day of that Plan Year.

B. "Former Key Employee": Shall mean a Participant (including a Beneficiary of such Participant) who is a Non-Key Employee with respect to the current Plan Year, but who was a Key Employee with respect to the Plan during a prior Plan Year.

C. "Key Employee": Any Employee or former Employee (and the Beneficiaries of such Employee) who at any time during the determination period was an officer of the Employer, or Associated Controlled Group, if such individual's annual compensation exceeds 50% of the dollar limitation under Section 415(b)(1)(A) of the Code, an owner (or considered an owner under section 318 of the Code) of both more than a 1/2% interest and one of the ten largest interests in the Employer or Associated Controlled Group, if such individual's compensation exceeds 100% of the dollar limitation under Section 415(c)(1)(A), a 5% owner of the Employer, or a 1% owner of the Employer who has an annual compensation of more than $150,000. The determination period is the Plan Year containing the Determination Date and the 4 preceding Plan Years.

Annual compensation means compensation as defined in Section 415(c)(3) of the Code, but including amounts contributed by the Employer pursuant to a Salary Reduction Agreement which are excludable from the Employee's gross income under Section 125, Section 402(a)(8), Section 402(h) and Section 403(b) of the Code. The determination of who is a Key Employee will be made in accordance with Section 416(i)(1) of the Code and the regulations thereunder.

D. "Non-Key Employee": Shall mean any Employee or former Employee (including a Beneficiary of such Employee) who is not a Key Employee.

E. "Permissive Aggregation Group": The Required Aggregation Group of plans plus any other plan or plans of the Employer which, when considered as a group with the Required Aggregation Group, would continue to satisfy the requirements of Sections 401(a)(4) and 410 of the Code.

F. "Required Aggregation Group": (A) Each qualified plan of the Employer in which at least one Key Employee participates or participated at any time during the determination period (regardless of whether the plan has terminated), and (B) any other qualified plan of the Employer which enables a plan described in (A) to meet the requirements of Sections 401(a)(4) or 410 of the Code.

G. "Super Top-Heavy": For any Plan Year, this Plan is deemed to be Super Top-Heavy if any of the following conditions exists:

(1) If the Top-Heavy Ratio for this Plan exceeds 90% and this Plan is not part of any Required Aggregation Group or Permissive Aggregation Group of plans,

(2) If this Plan is a part of a Required Aggregation Group of plans (but which is not part of a Permissive Aggregation Group) and the Top-Heavy Ratio for the group of plans exceeds 90%, or

(3) If this Plan is a part of a Required Aggregation Group of plans and part of a Permissive Aggregation Group and the Top-Heavy Ratio for the Permissive Aggregation Group exceeds 90%.

H. "Top-Heavy": For any Plan Year, this Plan is deemed to be Top-Heavy if any of the following conditions exists:

(1) If the Top-Heavy Ratio for this Plan exceeds 60%, but does not exceed 90%, and this Plan is not part of any Required Aggregation Group or Permissive Aggregation Group of plans,

(2) If this Plan is a part of a Required Aggregation Group of plans (but which is not part of a Permissive Aggregation Group) and the Top-Heavy Ratio for the group of plans exceeds 60%, but does not exceed 90%, or

(3) If this Plan is a part of a Required Aggregation Group of plans and part of a Permissive Aggregation Group and the Top-Heavy Ratio for the Permissive Aggregation Group exceeds 60%, but does not exceed 90%.

I. "Top Heavy Ratio":

(1) If the Employer maintains one or more defined contribution plans (including any Simplified Employee Pension Plan) and the Employer has not maintained any defined benefit plan which during the 5-year period ending on the Determination Date(s) has or has had accrued benefits, the Top-Heavy Ratio for this Plan alone or for the Required or Permissive Aggregation Group as appropriate is a fraction, the numerator of which is the sum of the Account balances of all Key Employees as of the Determination Date(s) (including any part of any Account balance distributed in the 5-year period ending on the Determination Date(s)), and the denominator of which is the sum of all Account balances (including any part of any Account balance distributed in the 5-year period ending on the Determination Date(s)), both computed in accordance with Section 416 of the Code and the regulations thereunder. Both the numerator and denominator of the Top-Heavy Ratio are increased to reflect any contribution not actually made as of the Determination Date, but which is required to be taken into account on that date under Section 416 of the Code and the regulations thereunder.

(2) If the Employer maintains one or more defined contribution plans (including any Simplified Employee Pension Plan) and the Employer maintains or has maintained one or more defined benefit plans which during the 5-year period ending on the Determination Date(s) has or has had any accrued benefits, the Top-Heavy Ratio for any Required or Permissive Aggregation Group as appropriate is a fraction, the numerator of which is the sum of Account balances under the aggregated defined contribution plan or plans for all Key Employees, determined in accordance with (1) above, and the present value of accrued benefits under the aggregated defined benefit plan or plans for all Key Employees as of the Determination Date(s), and the denominator of which is the sum of the Account balances under the aggregated defined contribution plan or plans for all Participants, determined in accordance with (1) above, and the present value of accrued benefits under the defined benefit plan or plans for all Participants as of the Determination Date(s), all determined in accordance with Section 416 of the Code and the regulations thereunder. The accrued benefits under a defined benefit plan in both the numerator and denominator of the Top-Heavy Ratio are increased for any distribution of an accrued benefit made in the five-year period ending on the Determination Date.

(3) For purposes of (1) and (2) above the value of Account balances and the present value of accrued benefits will be determined as of the most recent valuation date that falls within or ends with the 12-month period ending on the Determination Date, except as provided in Section 416 of the Code and regulations thereunder for the first and second Plan Years of a defined benefit plan.

The Account balances and accrued benefits of a Participant (a) who is not a Key Employee but who was a Key Employee in a prior year, or (b) who has not been credited with at least one Hour of Service from any Employer maintaining the Plan at any time during the 5-year period ending on the Determination Date will be disregarded. The calculation of the Top-Heavy Ratio, and the extent to which distributions, rollovers, and transfers are taken into account will be made in accordance with Section 416 of the Code and

the regulations thereunder. Deductible Employee contributions will not be taken into account for purposes of computing the Top-Heavy Ratio. When aggregating plans the value of Account balances and accrued benefits will be calculated with reference to the Determination Dates that fall within the same calendar year.

The accrued benefit of a Participant other than a Key Employee shall be determined under (a) the method, if any, that uniformly applies for accrual purposes under all defined benefit plans maintained by the Employer, or (b) if there is no such method, as if such benefit accrued not more rapidly than the slowest accrual rate permitted under the fractional rule of Section 411(b)(1)(C) of the Code.

ARTICLE XIII

DIRECT ROLLOVER

13.1 Effective Date

This Article applies to Eligible Rollover Distributions made from the Plan on or after January 1, 1993.

13.2 Election

Notwithstanding any Plan provision to the contrary which would otherwise limit a Participant's election under this Article XIII, a Participant may elect to have all or any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan. The Participant's election shall be made at the time and in the manner prescribed by the Plan Administrator. As applicable, a Participant's Spouse may elect under this section.

13.3 Definitions

Definitions for purposes of this Article XIII.

A. Eligible Rollover Distribution. Any distribution of all or any portion of a Participant's Account is an Eligible Rollover distribution, except for (i) a distribution that is less than $200; (ii) a distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life or life expectancy of the Participant or the joint lives or joint life expectancies of the Participant and a designated beneficiary or for a specified period of ten years or more; (iii) a distribution required under Code section 401(a)(9); and (iv) any portion of a distribution that is not includible in a Participant's gross income for federal income tax purposes.

B. Eligible Retirement Plan. Any qualified plan, an individual retirement account, or an individual retirement annuity, that accepts rollover distributions, except that a surviving spouse may elect a direct rollover only to an individual retirement account or an individual retirement annuity.

13.4 Minimum Direct Rollover Portion

A Participant may elect to make a direct rollover of a portion of an Eligible Rollover Distribution and to receive the balance provided that the direct rollover portion is $500 or more.

13.5 Waiver of Notice

A Participant may waive the required notice with respect to a written explanation of the direct rollover provisions as set forth in section 11.10.

ARTICLE XIV

MERGER OF PLANS

14.1 Merger of Plans

The Alpha Industries, Inc. Employee Stock Ownership Plan (the ESOP) has been merged into this Plan effective March 31, 1995 (the "Merger") and such ESOP is incorporated into the Plan by this reference. The provisions applicable to an employee stock ownership plan which are required by the Tax Reform Act of 1986, subsequent federal legislation and the regulations thereunder, shall be effective with respect to the ESOP as of the respective effective dates required by said legislation and regulations.

14.2 ESOP Accounts

With respect to the accounts of participants held under the ESOP and now held in this Plan as a result of and as of the effective date of the Merger (the "ESOP Accounts"), the following special provisions shall apply from and after the effective date of the Merger:

A. Segregation of ESOP Accounts. The ESOP Accounts shall be separately maintained and accounted for. Each ESOP Account will be credited with the appropriate earnings (and debited with any losses) thereon. Notwithstanding the foregoing, the assets of the ESOP Accounts may be commingled with other assets held under the Plan.

B. Withdrawal Election. Each Participant who has attained age 55 and who has completed at least ten years of participation in the ESOP and/or this Plan (a "Qualified Participant") shall be permitted to elect withdrawal of up to 25% of the value of his ESOP Account attributable to Employer Stock that was acquired by the ESOP after 1986. This right may be exercised any time within 90 days after the last day of each Plan Year during the period of six Plan Years that begins with the Plan Year in which the Participant first becomes a Qualified Participant, considering for these purposes Plan Years under both the ESOP and this Plan. The portion of the Participant's ESOP Account balance attributable to Employer Stock acquired by the

ESOP after 1986 shall be determined by multiplying the number of shares of such Employer Stock held in the ESOP Account by a fraction, the numerator of which is the number of shares acquired by the ESOP after 1986 and the denominator of which is the total number of shares held by the ESOP or this Plan on the date the individual became a Qualified Participant. In lieu of such distribution, a Qualified Participant may direct the Plan to transfer the portion of the Participant's ESOP Account covered by the election to another qualified plan of the Employer which accepts such transfers, provided that such plan permits employee-directed investment and does not invest in Employer Stock to a substantial degree. Such transfer shall be made not later than 90 days after the last day of the period during which the election can be made. However, the foregoing rights shall not apply if the value of such Employer Stock as of the latest Anniversary Date is $500 or less.

C. Put Option. If common capital stock of the Employer acquired by a Participant under the ESOP and held in an ESOP Account prior to the effective date of the Merger (the "Company Stock") is not readily tradeable on an established market, or is subject to a trading restriction (as defined in Reg. 54.4975-7(b)(10)) when distributed, a Participant (or Beneficiary) shall be granted by the Plan Administrator at the time of distribution an option to "put" the shares, or any part of them, to the Employer; however, the Trustee shall have the option, at its discretion, to assume the rights and obligations of the Employer with respect to the put option at the time it is exercised. The put option shall provide that the Participant or Beneficiary shall have the right to have the employer purchase such shares at their fair market value as determined in accordance with Reg. Section 54.4975-11(d)(5), for a period of at least 60 days after the date the Company Stock is distributed to said Participant (or Beneficiary) and, if the put option is not exercised within such 60-day period, for an additional period of at least 60 days in the following Plan Year. This put option may be exercisable only by a Participant, by the Participant's donees, or by a Beneficiary. The terms of payment for the

purchase of such shares shall be as set forth in the put and may either be a lump sum or installments commencing 30 days after the date the put is exercised (with interest on the unpaid balance), all as determined by the Plan Administrator acting in a uniform, non-discriminatory manner and in accordance with the regulations under Section 4975 of the Code. The provisions of this Section shall be nonterminable.

In the case of a distribution of Company Stock which was acquired by the Plan after 1986, and which is not readily tradable on an established securities market, the put option shall provide that if an Employee exercises the put option, the Employer, or the Plan if the Trustee elects, shall repurchase the Company Stock as follows:

(i) If distribution of the entire balance of Company Stock to the credit of an Employee is to be made within one taxable year of the Employee (a "Total Distribution"), payment of the fair market value of the Participant's ESOP Account balance consisting of Company Stock shall be made in five or fewer substantially equal annual payments. The first installment shall be paid not later than 30 days after the Participant exercises the put option. The Plan will pay a reasonable rate of interest and provide adequate security on amounts not paid after 30 days.

(ii) If the distribution does not constitute a Total Distribution, the Plan shall pay the Participant an amount equal to the fair market value of the Company Stock repurchased no later than 30 days after the Participant exercises the put option.

14.3 Voting Rights

As this Plan is a successor to the AESOP, the following rules shall apply to all Employer Stock allocated to any Participant's Account: All such allocated Employer Stock, including fractional shares, shall be voted by the Trustee in accordance with instructions of the Participant. In the case of fractional shares, the Trustee shall combine such shares (or the rights thereto) to the extent possible to reflect the direction of the respective Participants entitled to vote the same. Within a reasonable time before any voting rights are to be exercised (but in no event less

than the period of time which, under the Employer's bylaws, stockholders are entitled to notice), the Trustee shall notify Participants of such right and provide Participants with all information distributed to shareholders of the Employer regarding the exercise of such right. If a Participant does not instruct the Trustee in whole or in part with respect to the exercise of voting rights, such rights shall be exercised in the same proportion and in the same manner as are exercised the voting rights in the Employer Stock for which Participant directions have been received. Nothing contained herein shall prohibit the solicitation and exercise of Participants' voting rights by management or others under a proxy provision applicable to all security holders. In the event there should be any unallocated shares held by the Trust, these shall be voted by the Trustee in accordance with instructions received from the Plan Administrator. The provisions of this Section shall also apply to the exercise of rights respecting Employer Stock other than voting rights.

ARTICLE XV

PARTICIPANT LOANS

15.1 Participant loans may be granted under this Plan on a uniform and non-discriminatory basis, subject to the following terms and conditions:

A. Loans shall be made available to all active Participants on a reasonably equivalent basis. Loans shall not be made available to Highly Compensated Employees in an amount greater than the amount available to other Participants. The minimum amount of each loan shall be $1000.00. The maximum number of loans outstanding to each Participant at any one time shall not exceed two.

B. An application for a loan shall be made in writing by the Participant to the Plan Administrator. If, as of the date of the loan, the Participant has elected one of the optional annuity forms of payment described in Section 7.1E, the Participant must obtain the consent of his or her Spouse, if any, to use of the Account balance as security for the loan. Spousal consent shall be obtained no earlier than the beginning of the 90-day period that ends on the date on which the loan is to be so secured. The consent must be in writing, must acknowledge the effect of the loan, and must be witnessed by a Plan representative or notary public. Such consent shall thereafter be binding with respect to the consenting Spouse or any subsequent Spouse with respect to that loan. A new consent shall be required if the Account balance is used for renegotiation, extension, renewal, or other revision of the loan.

If a valid spousal consent has been obtained, then, notwithstanding any other provision of this Plan, the portion of the Participant's vested Account balance used as a security interest held by the plan by reason of a loan outstanding to the Participant shall be taken into account for purposes of determining the amount of the Account balance payable at the time of death or distribution, but only if the reduction is used as repayment of the loan. If less than 100% of the Participant's vested Account balance (determined without regard to the preceding sentence) is payable to the surviving Spouse, then the Account balance shall be adjusted by first reducing the vested Account balance by the amount of the security used as a

repayment of the loan, and then determining the benefit payable to the surviving Spouse.

C. All loans made pursuant to this Article VI shall be amortized in level payments. For active participants, such loans, shall be repaid through payroll deductions made by the Employer. For inactive participants, such loans shall be repaid in full within 3 months of termination or the loan shall be in default and shall be treated as a premature distribution.

D. No loan to any Participant shall be made to the extent that such a loan, when added to the highest outstanding balance of all other loans to the Participant, would exceed the lesser of (a) $50,000, reduced by the excess, if any, of the highest outstanding balance during the prior twelve (12) month period over the outstanding balance on the date on which the new loan is made, or (b) one-half the present value of the Participant's vested Account.

E. All loans from all plans of the Employer and other members of an Associated Controlled Group shall be aggregated for purposes of the limitations described in Section 6.1D.

F. Loans must be adequately secured by the present value of the Participant's vested Account and bear a reasonable interest rate.

G. The period for repayment of any loan shall not exceed 5 years or extend beyond the Participant's Normal Retirement Date. The period may exceed 5 years and extend up to 10 years if the loan is used to acquire or construct a dwelling unit which within a reasonable time (determined at the time the loan is made) will be used as the principal residence of the Participant. Each loan shall be evidenced by a written promissory note stating the amount of the loan and bearing a fixed rate of interest commensurate with the current interest rates available through loan institutions on a similar basis.

H. All loans shall be deemed to be investments directed by the Participant for his Account. Loans against a Participant's Account are to be credited to a separate account on the book of the trust; and all repayments, including interest thereon, shall be applied to said account and reinvested as soon as practicable for the Participant's Account in the trust.

I. In the event of default, foreclosure on the note and attachment of security will not occur until a distributable event occurs under the Plan.

J. The denial of a Participant's application for a loan under the Plan shall be treated as a denial of a claim for benefits subject to the requirements of Section 11.7.

K. The administrator of the loan program shall be the Employer.

L. The Plan may charge a reasonable fee for the processing of a loan application and an annual amount for maintenance of a loan account.

M. All loans may be prepaid in whole without penalty as of any Valuation Date.

ARTICLE XVI

PROVISIONS APPLICABLE TO DIRECTORS AND OFFICERS

16.1 Scope and Application of this Article.

The provisions of this Article shall be applicable to any person who is subject to section 16 of the Securities Exchange Act of 1934, as amended (a "Restricted Person"). With respect to Restricted Persons, to the extent that any provision of this Article XVI conflicts with any other provision of this Plan, the provisions of this Article XVI shall govern.

16.2 Penalty for In Service Withdrawals.

Except as provided in this Section 16.2, in the event that a Participant who is a Restricted Person makes a withdrawal from his or her Account (other than a withdrawal from the Participant's ESOP Account), of Employer Stock contributed under Section 3.1B (Matching Employer Contribution), such Participant shall hold the withdrawn shares of Employer Stock for a period of six (6) months before any disposition. For purposes of this Section 16.2, a "withdrawal" is deemed to occur upon any distribution of Employer Stock to the Participant. The foregoing provisions applicable to withdrawals shall not apply to (i) extraordinary distributions of all of the Employer Stock held by the Plan such as upon Plan termination; (ii) distributions in connection with death, retirement, disability, or termination of employment; or (iii) distributions in connection with a "Qualified Domestic Relations Order," as defined in the Code or ERISA.

16.3 Intra-Plan Transfers.

Transfers between the Employer Stock fund and any other fund in the Plan by or for the account of Restricted Persons may be made no more than once during any six (6) month period and only during the window period beginning on the third business day following the release of the Employer's quarterly or annual financial information, and ending on the twelfth business day following such release of information.

16.4 Six Month Holding Period.

Restricted Persons may not dispose of any Employer Stock allocated to the Account pursuant to Section 3.1C of this Plan for a period of at least six months from the date the shares of Employer Stock are allocated to their Account.

EXECUTION

IN WITNESS WHEREOF, The Company has caused its appropriate officer to affix its corporate name and seal hereto on this 31st day of March, 1995.

ALPHA INDUSTRIES, INC.

By:_____

John A. Hanna, Jr.
Name:_____

Treasurer
Title:_____

[SEAL]

EXHIBIT 11

COMPUTATION OF PER SHARE DATA
(In thousands, except per share dollar amounts)

	FISCAL YEAR ENDED		
	APRIL 2, 1995	APRIL 3, 1994	MARCH 28, 1993
PRIMARY COMPUTATION			
Weighted average number of common shares outstanding	7,607	7,502	7,464
Weighted average number of common stock equivalents	275	--	--
Weighted average number of common shares and common share equivalents outstanding	7,882	7,502	7,464
FULLY DILUTED COMPUTATION			
Weighted average number of common shares outstanding	7,607	7,502	7,464
Weighted average number of common stock equivalents	287	--	--
Weighted average number of common shares and common share equivalents outstanding	7,894	7,502	7,464
Net income (loss) primary and fully diluted	$2,847	$(11,466)	$(2,987)
Net income (loss) per common share primary and fully diluted	$ .36	$ (1.53)	$ (.40)

For fiscal 1995, common stock equivalents related to shares issuable under options outstanding did affect the per share amount and, accordingly were included in the computation. Common stock equivalents related to shares issuable under options outstanding did not significantly affect the per share amount and, accordingly, were not included in the computation for fiscal 1994 and 1993.

EXHIBIT 21

SUBSIDIARIES OF THE REGISTRANT

NAME	JURISDICTION OF INCORPORATION
Alpha Industries Limited	England
Alpha Industries GmbH	Germany
Alpha Securities Corporation	Massachusetts
CFP Holding Company, Inc.	Washington
Trans-Tech, Inc.	Maryland
Trans-Tech Europe SARL	France

EXHIBIT 23

CONSENT OF INDEPENDENT AUDITORS

The Board of Directors
Alpha Industries, Inc.:

We consent to incorporation by reference in the registration statements (No. 33-32957, No. 33-11356 and No. 33-47901) on Form S-8 of Alpha Industries, Inc. of our report dated May 12, 1995, relating to the consolidated balance sheets of Alpha Industries, Inc. and subsidiaries as of April 2, 1995 and April 3, 1994, and the related consolidated statements of operations, stockholders' equity, and cash flows and related schedule for each of the years in the three-year period ended April 2, 1995, which report appears in the April 2, 1995 annual report on Form 10-K of Alpha Industries, Inc.

KPMG PEAT MARWICK LLP

Boston, Massachusetts
June 27, 1995

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED IN PART FROM THE FINANCIAL STATEMENTS OF ALPHA INDUSTRIES, INC. AND SUBSIDIARIES AS OF AND FOR THE TWELVE MONTHS ENDED APRIL 2, 1995 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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12-MOS	
APR-02-1995	
APR-02-1995	
	3,510
	0
	14,331
	783
	9,370
	27,184
	73,772
	53,283
	50,167
	16,201
	5,498
	1,999
	0
	0
	25,675
	50,167
	78,254
	78,254
	54,376
	74,257
	(23)
	60
	671
	3,349
	502
	2,847
	0
	0
	0
	2,847
	0.36
	0.36