

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE  
IN AND FOR NEW CASTLE COUNTY

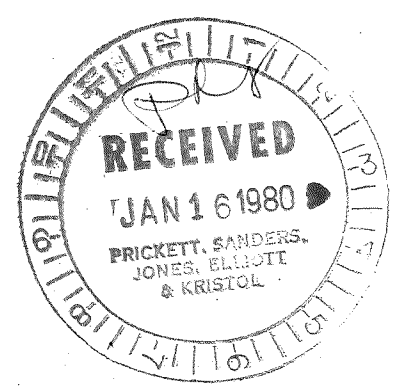
WILLIAM B. WEINBERGER,  
Plaintiff,

v.

Civil Action No. 5642

UOP, INC., THE SIGNAL  
COMPANIES, INC. SIGCO  
INCORPORATED, LEHMAN  
BROTHERS, KUHN LOEB, INC.,  
CHARLES S. ARLEDGE,  
ANDREW J. CHITIEA, JAMES V.  
CRAWFORD, JAMES W. GLANVILLE,  
RICHARD A LENON, JOHN O.  
LOGAN, FRANK J. PIZZITOLA,  
WILLIAM J. QUINN, FORREST N.  
SHUMWAY, ROBERT S. STEVENSON,  
MAYNARD P. VENEMA, WILLIAM E.  
WALKUP and HARRY H. WETZEL,

Defendants.



ANSWER OF UOP, INC.

Defendant, UOP, Inc. ("UOP") hereby responds to the allegations set forth in the amended complaint as follows:

1. Denied.

2. It is admitted that UOP and The Signal Companies, Inc. ("Signal") are Delaware corporations, and that Sigco, Incorporated ("Sigco") was a Delaware corporation prior to its merger into UOP. This defendant is without sufficient knowledge or information with which to affirm or deny the averments contained in the balance of this paragraph.

3. Denied, and averred that plaintiff has no standing to maintain this action as a class action, and further averred that this action cannot be maintained as a class action, or that the class defined by plaintiff is a proper class.

4. Denied, except admitted that on May 26, 1978, James V. Crawford was President and Chief Executive Officer of UOP; James W. Glanville was a Managing Director and Member of the Board of Lehman Brothers Kuhn Loeb Incorporated ("Lehman Brothers"); John O. Logan was Chairman of the Board

of UOP; Charles S. Arledge, Andrew J. Chitea, William E. Walkup and Harry H. Wetzel were employees of Signal or a subsidiary company of Signal other than UOP and directors of Signal; and that all of the individuals named in the caption of the amended complaint were elected as directors of UOP at the stockholders meeting held on May 26, 1978.

5. Admitted that prior to the filing of the Merger Agreement on May 26, 1978, Signal owned about 50.5% of UOP's outstanding stock (excluding shares held in UOP's treasury), and alleged that after the filing of such agreement on such date, Signal owned 100% of UOP's outstanding stock.

6. The first sentence of paragraph 6 of the complaint is admitted. The second sentence of such paragraph is denied.

7. Denied.

8. Denied, except alleged that UOP was aware of its performance record and had an opinion of its future prospects.

9. Denied.

10. Denied.

11. Denied.

12. Denied, except alleged that on February 28, 1978, James V. Crawford, a director of Signal and UOP's President and Chief Executive Officer, discussed with officers and directors of Signal the possible acquisition by Signal for cash of the approximately 49.5% of UOP's outstanding common stock which Signal did not own, and that on February 28, 1978, a press release was jointly issued by UOP and Signal, which press release speaks for itself.

13. Denied.

14. Denied.

15. Denied.

16. Denied, except alleged that on May 26, 1978, the annual meeting of stockholders of UOP was held; and that of the 5,688,302 shares held by stockholders of UOP other than Signal, 2,953,812 shares were voted in favor of the merger, and 254,840 shares were voted against. Further alleged that Signal voted its 5,800,000 shares of UOP common stock in favor of the merger, and that the Merger Agreement was filed, and the merger became effective, on May 26, 1978.

17. Denied.

FIRST AFFIRMATIVE DEFENSE

18. The complaint fails to state a claim upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

19. The complaint fails to state a claim upon which any class action can properly be maintained.

THIRD AFFIRMATIVE DEFENSE

20. The complaint fails to state a claim upon which the purported class, as defined by plaintiff, can be maintained.

FOURTH AFFIRMATIVE DEFENSE

21. Plaintiff is not qualified to fairly and adequately represent the interests of the purported class and his claims are not typical of the claims of the purported class members.

FIFTH AFFIRMATIVE DEFENSE

22. Even if the complaint states a claim upon which a class action may be maintained, plaintiff and each

member of the purported class are estopped from instituting and maintaining this action.

SIXTH AFFIRMATIVE DEFENSE

23. Even if the plaintiff states a claim upon which any class action may be maintained, plaintiff and each member of the purported class are barred by laches from instituting and maintaining this action.

SEVENTH AFFIRMATIVE DEFENSE

24. Neither plaintiff nor any member of the purported class suffered any damages as a result of the merger which is the subject matter of the complaint.

WHEREFORE, defendant UOP, Inc., demands that plaintiff and the members of the purported class take nothing, that judgment be entered in favor of UOP and all other defendants, that costs be assessed against plaintiff, and prays for such other relief as may be fair and equitable.

MORRIS, NICHOLS, ARSHT & TUNNELL

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