

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

(MARK ONE)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 1996

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM TO

COMMISSION FILE NUMBER: 0-17995

AMTECH CORPORATION
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

TEXAS
(STATE OF INCORPORATION)

75-2216818
(I.R.S. EMPLOYER
IDENTIFICATION NUMBER)

17304 PRESTON ROAD
BUILDING E-100
DALLAS, TEXAS 75252
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

(214) 733-6600
(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

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 NO

INDICATE THE NUMBER OF SHARES OUTSTANDING OF EACH OF THE ISSUER'S CLASSES OF COMMON STOCK, AS OF THE LATEST PRACTICABLE DATE.

CLASS	OUTSTANDING AT APRIL 30, 1996
-----	-----
COMMON STOCK, PAR VALUE \$.01 PER SHARE	14,608,786

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AMTECH CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

(Unaudited)

	March 31, 1996	December 31, 1995
	-----	-----
ASSETS		
Current assets:		
Cash and cash equivalents	\$16,214	\$17,669
Short-term marketable securities	5,110	10,168
Accounts receivable, net of allowance for doubtful accounts of \$891,000 in 1996 and \$831,000 in 1995	27,522	24,559
Inventories (Note 2)	15,510	13,415
Deferred income taxes	1,914	1,037
Prepaid expenses	846	725
	-----	-----
Total current assets	67,116	67,573
Property and equipment, at cost	24,024	23,221
Accumulated depreciation	(9,929)	(9,138)
	-----	-----
	14,095	14,083
Deferred income taxes	1,310	1,544
Intangible assets, net	9,064	8,827
Other assets	1,389	1,352
	-----	-----
	\$92,974	\$93,379
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 7,368	\$ 6,628
Note payable	2,594	1,887
Accrued expenses	8,434	7,201
Deferred income and license revenues	3,121	2,508
	-----	-----
Total current liabilities	21,517	18,224

Note payable	--	2,594
Contingencies (Note 3)		
Stockholders' equity:		
Preferred stock, \$1 par value, 10,000,000 shares authorized; none issued	--	--
Common stock, \$.01 par value, 30,000,000 shares authorized; 14,685,036 issued, 14,605,036 outstanding in 1996 and 1995	147	147
Additional paid-in capital	75,215	75,349
Unrealized gain on marketable securities	--	1,323
Treasury stock, at cost	(393)	(393)
Accumulated deficit	(3,512)	(3,865)
	-----	-----
Total stockholders' equity	71,457	72,561
	-----	-----
	\$92,974	\$93,379
	=====	=====

See accompanying notes.

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AMTECH CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

(Unaudited)

	Three Months Ended March 31	
	1996	1995
	-----	-----
Sales	\$28,276	\$13,935
Operating costs and expenses:		
Cost of sales	17,279	9,373
Research and development	2,564	1,642
Marketing, general and administrative	9,607	3,689
	-----	-----
	29,450	14,704
	-----	-----
Operating loss	(1,174)	(769)
Investment income	2,078	453
Interest expense	(109)	--
	-----	-----
Income (loss) before income taxes	795	(316)
Provision (benefit) for income taxes	442	(36)
	-----	-----
Net income (loss)	\$ 353	\$ (280)
	=====	=====
Earnings (loss) per share (Note 1)	\$ 0.02	\$ (0.02)
	=====	=====
Shares used in computing earnings (loss) per share	14,740	14,704

=====

See accompanying notes.

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AMTECH CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Three Months Ended March 31	
	1996	1995
Cash flows from operating activities:		
Net income (loss)	\$ 353	\$ (280)
Adjustments to reconcile net income (loss) to net cash from operating activities:		
Depreciation and amortization	1,082	729
Realized gain on sale of marketable securities	(2,150)	--
Deferred income taxes	38	15
Tax benefit from exercise of stock options	--	36
Change in assets and liabilities:		
Increase in accounts receivable	(4,203)	(1,496)
(Increase) decrease in inventories	(2,095)	212
Increase in prepaid expenses	(121)	(302)
(Increase) decrease in other assets	(31)	528
Increase in accounts payable and accrued expenses	1,973	373
Increase (decrease) in deferred income and license revenues	613	(241)
Total adjustments	(4,894)	(146)
Net cash used by operating activities	(4,541)	(426)
Cash flows from investing activities:		
Purchases of property and equipment	(829)	(571)
Purchase of Cotag International Limited	--	(5,774)
Purchase of Cardkey Systems	(952)	--
Sales and maturities of marketable securities	5,204	24,324
Increase in other assets	(49)	(52)
Other	(256)	--
Net cash provided by investing activities	3,118	17,927
Cash flows from financing activities:		
Proceeds from issuances of common stock	--	147
Payment of cash dividends	--	(293)
Net cash used by financing activities	--	(146)
Effect of exchange rate changes on cash and cash equivalents	(32)	(2)
Increase (decrease) in cash and cash equivalents	(1,455)	17,353
Cash and cash equivalents, beginning of period	17,669	14,217
Cash and cash equivalents, end of period	\$16,214	\$31,570

See accompanying notes.

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AMTECH CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. BASIS OF PRESENTATION

The accompanying financial statements, which should be read in conjunction with the audited consolidated financial statements included in the Company's 1995 Annual Report to Shareholders and Form 10-K, are unaudited but have been prepared in the ordinary course of business for the purpose of providing information with respect to the interim periods. The Condensed Consolidated Balance Sheet at December 31, 1995 was derived from the audited Consolidated Balance Sheet at that date which is not presented herein. Management of the Company believes that all adjustments necessary for a fair presentation for such periods have been included and are of a normal recurring nature. The results of operations for the three-month period ended March 31, 1996 are not necessarily indicative of the results to be expected for the full year.

Earnings per share is computed based on the weighted average number of shares of common stock and dilutive common equivalent shares outstanding.

2. INVENTORIES

Inventories consist of the following:

	March 31, 1996	December 31, 1995
	-----	-----
Raw materials	\$ 6,363,000	\$4,900,000
Work in process	4,386,000	3,976,000
Finished goods	4,761,000	4,539,000
	-----	-----
	\$ 15,510,000	\$13,415,000
	=====	=====

3. CONTINGENCIES

WaveLink and certain of its employees are the subject of a \$7,800,000 suit brought by Teklogix, Inc., their former employer. The suit alleges improper use of confidential information, theft of technology, misappropriation of business opportunities and similar improprieties. In addition to the damages requested, the suit seeks to enjoin the defendants from soliciting customers of Teklogix and from disclosing alleged confidential information of Teklogix. WaveLink has denied any wrong-doing by it or its employees and intends to vigorously defend the litigation. While the final outcome of this matter cannot be predicted with certainty, the Company believes that the final resolution of this matter will not have a material adverse effect on the consolidated financial position of the Company.

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ITEM 2.

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

OVERVIEW

Amtech Systems Corporation and Amtech World Corporation develop and provide high-frequency radio frequency identification (RFID) solutions to the transportation markets which include vehicle-roadside communications, electronic toll and traffic management (ETTM), rail, intermodal and motor freight. Products and services for electronic access control applications are the focus of Amtech Europe Limited, which combines Cotag International Limited ("Cotag") and Cardkey Systems Limited, as well as Cardkey Systems, Inc. Cotag was acquired by the Company in January 1995 and Cardkey Systems, Inc. and Cardkey Systems Limited (collectively "Cardkey") were acquired in August 1995. WaveLink Technologies, Inc. ("WaveLink") is developing a line of products targeting the interactive data marketplace consisting of mobile radio frequency data communications terminals using wireless local area networks for use in portable computing in logistics, warehousing, transportation and medical applications. The 1995 acquisitions impact the comparability of the Company's first quarter 1996 results with those of 1995.

RESULTS OF OPERATIONS

Sales for the three months ended March 31, 1996 increased \$14,341,000 or 103% from the comparable period in 1995. Sales in the electronic access controls markets amounted to \$15,574,000 in 1996 compared to \$1,494,000 in 1995 as sales of Cotag were included in the Company's consolidated financial statements beginning February 1, 1995, and sales of Cardkey were included beginning August 1, 1995.

Cost of sales for the three months ended March 31, 1996 increased \$7,906,000 or 84% from the comparable period in 1995 primarily as a consequence of the Company's acquired businesses. Gross profit as a percentage of sales increased from 33% for the first quarter of 1995 to 39% for the first quarter of 1996, primarily due to a gross profit margin on sales of 44% achieved by the recently acquired electronic access control businesses.

Research and development expenses for the three months ended March 31, 1996 increased \$922,000 or 56% from the comparable period in 1995. Expenditures for WaveLink increased from \$68,000 to \$427,000 as a result of increased product development activities and a greater percentage of ownership in WaveLink by the Company. Cardkey expenditures were \$394,000 for the first quarter of 1996.

Marketing, general and administrative expenses for the three months ended March 31, 1996 increased \$5,918,000 or 160% from the comparable period in 1995. The increase was primarily attributable to expenditures of \$4,917,000 by Cardkey in the first quarter of 1996. In addition, the Company's pro rata share of the losses attributable to its European marketing joint venture, Alcatel Amtech S.A., increased from \$101,000 in 1995 to \$449,000 in 1996. The Company will recognize an expense of \$446,000 in the quarter ended June 30, 1996 relating to stock options granted in December 1995 to certain of the Company's outside directors under a plan that was approved by the shareholders on April 25, 1996. The amount of expense was determined based on the excess of the fair market value of the Company's common stock on the date of plan approval over the exercise price of the options which was the fair market value of the Company's common stock on the date of grant.

As a result of the foregoing, the Company experienced an operating loss of \$1,174,000 for the three months ended March 31, 1996 as compared to an operating loss of \$769,000 for the comparable period in 1995.

Investment income increased to \$2,078,000 for the three months ended March 31, 1996 from \$453,000 for the comparable period in 1995. The increase is primarily attributable to gains realized from the sale of corporate equity securities of approximately \$2,150,000 partially offset by the effect of a reduction in invested cash and marketable securities resulting from the Company's 1995 business acquisitions.

The income tax provision of \$442,000, which approximates 55% of income before income taxes, for the quarter ended March 31, 1996 is different from the U.S. statutory rate of 34%, primarily due to the effect of unbenefitted foreign losses. The income tax benefit as a percentage of the loss before taxes was 11% for the quarter ended March 31, 1995.

As a result of the foregoing, the Company achieved net income of \$353,000 for the three months ended March 31, 1996 as compared to a net loss of \$280,000 for the comparable period in 1995.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 1996 the Company's principal source of liquidity is its net working capital position of \$45,599,000, including cash and marketable securities of \$21,324,000 and accounts receivable of \$27,522,000. The Company expects to invest up to an additional \$3,200,000 in 1996 for property and equipment.

The Company believes that its existing net working capital position will be sufficient to meet the capital requirements for the current businesses for at least the next two years. Additional acquisitions, if any, would be financed by the most attractive alternative which could be the utilization of cash reserves or the issuance of debt or equity securities.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The information set forth under Part I, Notes to Condensed Consolidated Financial Statements, Note 3 is incorporated herein by reference.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Company held its annual meeting of shareholders on April 25, 1996. At this meeting, the shareholders elected as directors of the Company, G. Russell Mortenson, David P. Cook, Stuart M. Evans, Gary J. Fernandes, Elmer W. Johnson, Jeremy A. Landt, James S. Marston, Antonio R. Sanchez, Jr., and Jeffrey S. Wetherell. The tabulation of the votes with respect to the election of directors is as follows:

Nominee	Shares For	Shares Withheld
G. Russell Mortenson	10,692,157	381,554
David P. Cook	10,691,571	382,140
Stuart M. Evans	10,692,670	381,041
Gary J. Fernandes	10,692,821	380,890
Elmer W. Johnson	10,692,657	381,054
Jeremy A. Landt	10,692,857	380,854
James S. Marston	10,692,857	380,854
Antonio R. Sanchez, Jr.	10,692,332	381,379
Jeffrey S. Wetherell	10,690,896	382,815

The shareholders approved an amendment to the Amtech Corporation 1995 Long-Term Incentive Plan. The tabulation of the votes with respect to the approval of the Plan Amendment is as follows:

For	8,385,874
Against	2,340,048
Abstain	123,951
Non-Votes	223,838

The shareholders approved the adoption of the Amtech Corporation 1996 Directors' Stock Option Plan. The tabulation of the votes with respect to the approval of the Plan is as follows:

For	9,489,701
Against	1,200,508
Abstain	159,700
Non-Votes	223,802

The shareholders approved the adoption of the Amtech Corporation 1996 Employee Stock Purchase Plan. The tabulation of the votes with respect to the approval of the Plan is as follows:

For	10,306,353
Against	603,881
Abstain	71,461
Non-Votes	92,016

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The shareholders ratified the selection of Ernst & Young LLP as independent auditors for the year ending December 31, 1996. The tabulation of the votes with respect to the ratification is as follows:

For	10,830,466
Against	160,548
Abstain	82,697

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(A) Exhibits

The following is a list of exhibits filed as part of this Quarterly Report on Form 10-Q.

DESCRIPTION OF EXHIBITS

- 10.1* Amended and Restated 1992 Stock Option Plan of the Company.
 - 10.2* Amended and Restated 1995 Long-Term Incentive Plan of the Company.
 - 10.3 1996 Directors' Stock Option Plan of the Company. Filed under Annex I in the Company's Proxy Statement for the Annual Meeting of Shareholders held April 25, 1996, and incorporated herein by reference.
 - 10.4* 1996 Executive Management Cash Bonus Plan.
 - 27.1* Financial Data Schedule.
- (B) No reports of the registrant on Form 8-K have been filed with the Securities and Exchange Commission during the three months ended March 31, 1996.

*Filed herewith.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as

amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AMTECH CORPORATION
(Registrant)

Date: May 10, 1996

By: /s/Steve M. York

Steve M. York
Senior Vice President, Chief Financial
Officer, and Treasurer
(Principal Financial Officer and
Duly Authorized Office)

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EXHIBIT INDEX

- 10.1 Amended and Restated 1992 Stock Option Plan of the Company.
- 10.2 Amended and Restated 1995 Long-Term Incentive Plan of the Company.
- 10.3 1996 Directors' Stock Option Plan of the Company.
- 10.4 1996 Executive Management Cash Bonus Plan.
- 27.1 Financial Data Schedule.

AMTECH CORPORATION
1992 STOCK OPTION PLAN
(AMENDED AND RESTATED
AS OF APRIL 1996)

1. PURPOSE

The purpose of the Amtech Corporation 1992 Stock Option Plan (hereinafter called the "Plan") is to advance the interests of Amtech Corporation (hereinafter called the "Company") by strengthening the ability of the Company to attract and retain personnel of high caliber through encouraging a sense of proprietorship by means of stock ownership.

Certain options granted under this Plan are intended to qualify as "incentive stock options" pursuant to Section 422 of the Internal Revenue Code of 1986, as amended from time to time (the "Code"), while certain other options granted under this Plan will constitute nonqualified options.

2. DEFINITIONS

As used in this Plan, and in any Option Agreement, as hereinafter defined, the following terms shall have the following meanings, unless the context otherwise requires:

(a) "Common Stock" shall mean the common stock of the Company, par value \$.01 per share, giving effect to the 3 shares for 2 shares stock split on the record date of January 24, 1992 and the effective issuance date of February 13, 1992.

(b) "Date of Grant" shall mean the date on which a stock option is granted pursuant to this Plan.

(c) "Disinterested Director" shall mean a director who is not, during the one year prior to service as an administrator of this Plan, granted or awarded an option pursuant to this Plan or any other plan of the Company or any of its affiliates (except as provided in Section 4(b) or Section 4(c) of this Plan and as may be permitted by Rule 16b-3 promulgated under the Exchange Act).

(d) "Effective Date" shall mean the first business day following the date of the 1993 annual meeting of the shareholders of the Company.

(e) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(f) "External Director" shall mean a Director that is not an employee of the Company.

(g) "Fair Market Value" shall mean the closing sale price (or average of the quoted closing bid and asked prices if there is no closing sale price reported) of the Common Stock on the date specified as reported by NASDAQ/NMS or by the principal national stock exchange on which the Common Stock is then listed. If there is no reported price information for such date, the Fair Market Value will be determined by the reported price information for Common Stock on the day nearest preceding such date.

(h) "Optionee" shall mean the person to whom an option is granted under this Plan or who has obtained the right to exercise an option in accordance with the provisions of this Plan.

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(i) "Plan Adoption Date" means the later of the date on which this Plan is adopted by the Board of Directors of the Company and by the shareholders of the Company in accordance with Rule 16b-3.

(j) "Qualifying External Director" shall mean an External Director who is not a person, an employee or affiliate of a person, or a designee to the Board of Directors of a person, that is required to file a statement under

Section 13(d) or 13(g) of the Exchange Act or the rules, regulations, and interpretations of the Securities and Exchange Commission thereunder.

(k) "Rule 16b-3" shall mean Rule 16b-3 of the rules and regulations under the Exchange Act as it may be amended from time to time and any successor provision to Rule 16b-3 under the Exchange Act.

(l) "Subsidiary" shall mean any now existing or hereafter organized or acquired corporation of which more than fifty percent (50%) of the issued and outstanding voting stock is owned or controlled directly or indirectly by the Company or through one or more Subsidiaries of the Company and, in addition, shall include Alcatel Amtech S.A. for so long as the Company directly or indirectly owns more than forty percent (40%) of that company's issued and outstanding stock and Wavelink Technologies, Inc. for so long as the Company directly or indirectly owns or holds then exercisable rights to acquire more than twenty percent (20%) of that company's issued and outstanding stock.

3. SHARES SUBJECT TO THIS PLAN -----

Except as otherwise provided by the provisions of Section 9 hereof, the aggregate amount of Common Stock for which options may be granted under this Plan shall not exceed 450,000 shares of Common Stock. Such shares may be authorized and previously unissued shares or previously issued shares that have been reacquired by the Company. Any shares of Common Stock subject to unexercised portions of options granted under this Plan which shall have terminated, been canceled, or expired may again be subject to the granting of options under this Plan.

4. ADMINISTRATION -----

(a) Notwithstanding herein anything to the contrary, to the extent necessary to comply with the requirements of Rule 16b-3, this Plan shall be administered by the Board of Directors, if each member is a Disinterested Director, or, at the option of the Board of Directors, a committee of two or more Disinterested Directors appointed by the Board of Directors of the Company (the group responsible for administering this Plan is referred to herein as the "Committee"). Options may be granted under this Section 4(a) only by majority agreement of the members of the Committee. Stock Option Agreements ("Option Agreements"), in the form as approved by the Committee, and containing such terms and conditions not inconsistent with the provisions of this Plan as shall have been determined by the Committee, may be executed on behalf of the Company by the President or any Vice President of the Company. The Committee shall have complete authority to construe, interpret and administer (except with respect to Section 4(b) and Section 4(c) of this Plan) the provisions of this Plan and the provisions of the Option Agreements granted hereunder; to prescribe, amend and rescind rules and regulations pertaining to this Plan; and to make all other determinations necessary or deemed advisable in the administration of this Plan. The determinations, interpretations and constructions made by the Committee shall be final and conclusive.

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(b) Members of the Committee shall be specified by the Board of Directors, and shall consist solely of Disinterested Directors and as such shall not be eligible to receive options to purchase Common Stock pursuant to Section 4(a) of this Plan. Disinterested Directors may include External Directors and Internal Directors who are employed by the Company. Disinterested Directors shall fall within one of the following categories: (i) External Director; (ii) Internal Director/Chief Executive Officer; (iii) Internal Director/Vice President of Research and Development; and (iv) Internal Director/Other. The Committee can be comprised of Disinterested Directors from any one or all of the named categories. External Directors who are appointed to the Committee may not receive any options under this Plan, other than pursuant to Section 4(c). Subject to the shareholders' approval, on the date a Disinterested Director is initially appointed as a Committee member by the Board of Directors: (1) an Internal Director/Chief Executive Officer shall automatically be granted nonqualified options to purchase 35,000 shares of Common Stock, an Internal Director/Vice President of Research and Development shall automatically be granted nonqualified options to purchase 15,000 shares of Common Stock, and an Internal Director/Other shall automatically be granted nonqualified options to purchase 1,000 shares of Common Stock; and (2) provided the Company has consolidated net income for the calendar year immediately preceding and so long

as the Disinterested Director continues to serve on the Committee, on each annual anniversary date of a Disinterested Director's initial appointment of membership to the Committee and the corresponding initial grant of options, an Internal Director/Chief Executive Officer shall be granted nonqualified options to purchase 15,000 shares of Common Stock, an Internal Director/Vice President of Research and Development shall be granted nonqualified options to purchase 10,000 shares of Common Stock, and an Internal Director/Other shall be granted nonqualified options to purchase 1,000 shares of Common Stock. Subsequently appointed Committee Members shall receive option grants based upon the formula applicable to their Disinterested Director category if the duties and responsibilities of the position delineated within the category remain substantially the same as those for the position on the date of the adoption of this Plan.

(c) Subject to the provisions of this Subsection, on each date that a Qualifying External Director is re-elected to the Board of Directors, such Qualifying External Director shall be granted nonqualified options to purchase 2,500 shares of Common Stock. All options granted pursuant to this Section 4(c) shall vest six months from the date of grant. No option grants shall be made to a Qualifying External Director under this Subsection in a calendar year when such Qualifying External Director received a 2,500 share option grant under Subsection 6(a)(4) of the Company's 1995 Long-Term Incentive Plan or under Section 6 of the Company's 1996 Directors' Stock Option Plan. No 2,500 share option grants shall be made under this Subsection (i) after December 21, 1998, to a Qualifying External Director that does not own at least 10,000 shares of the Common Stock, in the case of those directors serving on the Company's Board of Directors on December 14, 1995, or (ii) in the case of other Qualifying External Directors (i.e., those not described in clause (i)), after the third

anniversary of their appointment or election to the Company's Board of Directors if they do not own at least 10,000 shares of the Common Stock by such third anniversary.

(d) The purchase price or prices for Common Stock subject to an option granted under Section 4(b) or Section 4(c) shall be 100% of the Fair Market Value of the Common Stock on the Date of Grant. Neither Section 4(b) nor Section 4(c) shall be amended more than once every six months, other than to comport with changes in the Code or in the Employee Retirement Income Security Act of 1974, as amended or the rules promulgated thereunder.

(e) Options may be granted by the Committee prior to this Plan Adoption Date, but shall be subject to approval of this Plan by the shareholders of the Company.

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5. ELIGIBILITY -----

Incentive stock options to purchase Common Stock may be granted under Section 4(a) of this Plan to such employees of the Company or its Subsidiaries (including any director who is also an employee of the Company or one of its Subsidiaries) as shall be determined by the Committee. Nonqualified stock options to purchase Common Stock may be granted under Section 4(a) of this Plan to such employees or directors of the Company or its Subsidiaries as shall be determined by the Committee. The Committee shall determine which persons are to be granted options under Section 4(a) of this Plan, the number of options, the number of shares subject to each option, the exercise price or prices of each option, the vesting and exercise period of each option, whether an option may be exercised as to less than all of the Common Stock subject thereto, and such other terms and conditions of each option, if any, as are not inconsistent with the provisions of this Plan. In addition, the Committee may, in its sole discretion, provide for vesting of stock options to accelerate upon a change in control of the Company as defined in an applicable Agreement ("Change in Control") and enable an employee to "put" the excess of the fair market value over the exercise price of the options to the Company in the event of a Change in Control. In connection with the granting of incentive stock options, the aggregate Fair Market Value (determined at the Date of Grant of an incentive stock option) of the shares with respect to which incentive stock options are exercisable for the first time by an Optionee during any calendar year (under all such plans of the Optionee's employer corporation and its parent and subsidiary corporations as defined in Section 424 of the Code) shall not exceed \$100,000 or such other amount as from time to time provided in (S)422(d) of the Code or any successor provision.

6. EXERCISE PRICE

The purchase price or prices for Common Stock subject to an option (the "Exercise Price") granted pursuant to Section 4(a) of this Plan shall be determined by the Committee at the Date of Grant; provided, however, that (a) the Exercise Price for any option shall not be less than 100% of the Fair Market Value of the Common Stock on the Date of Grant, and (b) if the Optionee owns more than 10 percent of the total combined voting power of all classes of stock of the Company or its parent or any of its subsidiaries, as more fully described in (S)422(b)(6) of the Code or any successor provision (such shareholder is referred to herein as a "10-Percent Stockholder"), the Exercise Price for any incentive stock option granted to such Optionee shall not be less than 110% of the Fair Market Value of the Common Stock on the Date of Grant.

7. TERM OF STOCK OPTIONS AND LIMITATIONS ON RIGHT TO EXERCISE

No incentive stock option granted pursuant to Section 4(a) of this Plan shall be exercisable (a) more than five years after the Date of Grant with respect to a 10-Percent Stockholder, and (b) more than ten years after the Date of Grant with respect to all persons other than 10-Percent Stockholders. No nonqualified stock option granted pursuant to Section 4(a) of this Plan shall be exercisable more than ten years after the Date of Grant. Nonqualified stock options granted to members of the Committee pursuant to Section 4(b) or to External Directors pursuant to Section 4(c) of this Plan shall be exercisable for ten years, except that in the event of death or termination of such member as a director and employee of the Company, such nonqualified stock options shall only be exercisable for one year following the date of such member's death or termination (or if shorter, the remaining term of the option). The Company shall not be required to issue any fractional shares upon the exercise of any options granted under this Plan. No Optionee nor his legal representatives, legatees or distributees, as the case may be, will be, or will be deemed to be, a holder of any shares subject to an option unless and until said option has been exercised

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and the purchase price of the shares in respect of which the option has been exercised has been paid. An option shall not be exercisable except by the Optionee or by a person who has obtained the Optionee's rights under the option by will or under the laws of descent and distribution.

8. TERMINATION OF EMPLOYMENT

The Committee shall determine at the Date of Grant what conditions shall apply to the exercise of an option granted under Section 4(a) in the event an Optionee shall cease to be employed by the Company or a Subsidiary for any reason. In the event of the death of an Optionee while in the employ or while serving as a director of the Company or a Subsidiary, the option theretofore granted to him shall be exercisable by the executor or administrator of the Optionee's estate, or if the Optionee's estate is not in administration, by the person or persons to whom the Optionee's right shall have passed under the Optionee's will or under the laws of descent and distribution, within the year next succeeding the date of death or such other period as may be specified in the Option Agreement, but in no case later than the expiration date of such option, and then only to the extent that the Optionee was entitled to exercise such option at the date of his death. Neither this Plan nor any option granted hereunder is intended to confer upon any Optionee any rights with respect to continuance of employment or other utilization of his services by the Company or by a Subsidiary, nor to interfere in any way with his right or that of his employer to terminate his employment or other services at any time (subject to the terms of any applicable contract).

9. DILUTION OR OTHER ADJUSTMENTS

In the event that there is any change in the Common Stock subject to this Plan or subject to options granted hereunder as the result of any stock dividend on, dividend of or stock split or stock combination of, or any like change in, stock of the same class or in the event of any change in the capital structure of the Company, the Board of Directors or the Committee shall make

such adjustments with respect to options, or any provisions of this Plan, as it deems appropriate to prevent dilution or enlargement of option rights.

10. EXPIRATION AND TERMINATION OF THIS PLAN

Options may be granted at any time under Section 4(a) of this Plan and as specified under Section 4(b) and Section 4(c) of this Plan prior to ten years from this Plan Adoption Date, as long as the total number of shares which may be issued pursuant to options granted under this Plan does not (except as provided in Section 9 above) exceed the limitations of Section 3 above. This Plan may be abandoned, suspended or terminated at any time by the Board of Directors of the Company except with respect to any options then outstanding under this Plan.

11. RESTRICTIONS ON ISSUANCE OF SHARES

(a) The Company shall not be obligated to sell or issue any shares upon the exercise of any option granted under this Plan unless:

(i) the shares with respect to which such option is being exercised have been registered under applicable federal securities laws or are exempt from such registration;

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(ii) the prior approval of such sale or issuance has been obtained from any state regulatory body having jurisdiction; and

(iii) in the event the Common Stock has been listed on any exchange, the shares with respect to which such option is being exercised have been duly listed on such exchange in accordance with the procedure specified therefor.

The Company shall be under no obligation to effect or obtain any listing, registration, qualification, consent or approval with respect to shares issuable on any option.

If the shares to be issued upon the exercise of any option granted under this Plan are intended to be issued by the Company in reliance upon the exemptions from the registration requirements of applicable federal securities laws, the Optionee, if so requested by the Company, shall furnish to the Company such evidence and representations, including an opinion of counsel, satisfactory to it, as the Company may reasonably request.

The Company shall not be liable for damages due to a delay in the delivery or issuance of any stock certificates for any reason whatsoever, including, but not limited to, a delay caused by listing, registration or qualification of the shares of Common Stock subject to an option upon any securities exchange or under any federal or state law or the effecting or obtaining of any consent or approval of any governmental body with respect to the granting or exercise of the option or the issue or purchase of shares under the option.

(b) No option granted pursuant to this Plan shall be transferable by the Optionee other than by will or the laws of descent and distribution or pursuant to a "qualified domestic relations order" as defined in the Code.

(c) Any Common Stock issued pursuant to the exercise of an option granted pursuant to this Plan shall not be transferred until at least 6 months have elapsed from the later of (i) the date of grant of such option or (ii) this Plan Adoption Date to the date of disposition of the Common Stock underlying such option.

(d) The Board of Directors or Committee may impose such other restrictions on the ownership and transfer of shares issued pursuant to this Plan as it deems desirable; any such restrictions shall be set forth in any Option Agreement entered into hereunder.

12. PROCEEDS

The proceeds to be received by the Company upon exercise of any option granted under this Plan may be used for any proper purposes.

13. AMENDMENT OF THIS PLAN

Except as provided in Section 4(b) and Section 4(c) of this Plan, the Board of Directors may amend this Plan from time to time in such respects as it may deem advisable in its sole discretion or in order that the options granted hereunder shall conform to any change in applicable laws, including tax laws, or in regulations or rulings of administrative agencies or in order that options granted or stock acquired upon exercise of such options may qualify for simplified registration under applicable securities

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or other laws; provided, however, that, to the extent required by Rule 16b-3 and the Securities and Exchange Commission interpretations and releases thereunder, no amendment may be made without the consent of shareholders which would materially (a) increase the benefits accruing to participants under this Plan, (b) increase the number of securities which may be issued under this Plan, other than in accordance with Section 9 hereof, or (c) modify the requirements as to eligibility for participation in this Plan.

14. PAYMENT UPON EXERCISE

Upon the exercise of any option granted under this Plan, the Company may make financing available to the Optionee for the purchase of the Common Stock that may be acquired pursuant to the exercise of such option on such terms as the Committee shall specify. An Optionee may pay the Exercise Price of the shares of Common Stock as to which an option is being exercised by the delivery of cash, a certified cashier's check or, at the Company's option, by the delivery of shares of Common Stock having a Fair Market Value on the date immediately preceding the exercise date equal to the exercise price.

If the shares to be purchased are covered by an effective registration statement under the Securities Act of 1933, as amended, any option granted under this Plan may be exercised by a broker-dealer acting on behalf of an Optionee if (a) the broker-dealer has received from the Optionee instructions signed by the Optionee requesting the Company to deliver the shares of Common Stock subject to such option to the broker-dealer on behalf of the Optionee and specifying the account into which such shares should be deposited, (b) adequate provision has been made with respect to the payment of any withholding taxes due upon such exercise, and (c) the broker-dealer and the Optionee have otherwise complied with Section 220.3(e)(4) of Regulation T, 12 CFR Part 220, or any successor provision.

15. SHAREHOLDERS' APPROVAL

This Plan is subject to approval by the shareholders of the Company and will be submitted for approval to the shareholders of the Company.

16. LIABILITY OF THE COMPANY

Neither the Company, its directors, officers or employees, nor any Subsidiary which is in existence or hereafter comes into existence, shall be liable to any Optionee or other person if it is determined for any reason by the Internal Revenue Service or any court having jurisdiction that any incentive stock option granted hereunder does not qualify for tax treatment as an incentive stock option under Section 422 of the Code.

AMENDED AND RESTATED as of April 25, 1996.

AMTECH CORPORATION

By: /s/ Ronald A. Woessner

Its: Vice President

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AMTECH CORPORATION
1995 LONG-TERM INCENTIVE PLAN
(AMENDED AND RESTATED AS OF APRIL 1996)

Section 1. PURPOSE

The purpose of the Amtech Corporation 1995 Long-Term Incentive Plan (hereinafter called the "Plan") is to advance the interests of Amtech Corporation (hereinafter called the "Company") by strengthening the ability of the Company to attract, on its behalf and on behalf of its Subsidiaries (as hereinafter defined), and retain personnel of high caliber through encouraging a sense of proprietorship by means of stock ownership.

Section 2. DEFINITIONS

"Award" shall mean a grant or award under Section 6 through 9, inclusive, of the Plan, as evidenced in a written document delivered to a Participant as provided in Section 10(b).

"Board of Directors" shall mean the Board of Directors of the Company.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"Committee" shall mean a committee of the Board of Directors comprised of at least two directors. Members of the Committee shall be selected by the Board of Directors. To the extent necessary to comply with the requirements of Rule 16b-3, the Committee shall consist of two or more Disinterested Directors. Also, if the requirements of (S)162(m) of the Code are intended to be met, the Committee shall consist of two or more "outside directors" within the meaning of (S)162(m) of the Code.

"Common Stock" shall mean the Common Stock of the Company, par value \$.01 per share.

"Date of Grant" shall mean the date on which an Award is made pursuant to this Plan.

"Designated Beneficiary" shall mean the beneficiary designated by the Participant, in a manner determined by the Committee, to receive amounts due the Participant in the event of the Participant's death. In the absence of an effective designation by the Participant, Designated Beneficiary shall mean the Participant's estate.

"Disinterested Director" shall mean a director who is not, during the one year prior to service as an administrator of the Plan, granted or awarded an option pursuant to the Plan or any other plan of the Company or any of its affiliates (except for grants or awards pursuant to Section 6(a) of the Plan or as may be permitted by Rule 16b-3 promulgated under the Exchange Act). Disinterested Directors shall fall within one of the following categories: (i) External Director; (ii) Internal Director/Chief Executive Officer; (iii) Internal Director/Vice President of Research and Development; and (iv) Internal Director/Other.

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"Effective Date" shall mean the first business day following the date of the 1995 annual meeting of the shareholders of the Company.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"External Director" shall mean a Director of the Company that is not an Internal Director.

"Fair Market Value" shall mean the closing sale price (or average of the quoted closing bid and asked prices if there is no closing sale price reported) of the

Common Stock on the date specified as reported by the Nasdaq National Market, or by the principal national stock exchange on which the Common Stock is then listed. If there is no reported price information for such date, the Fair Market Value will be determined by the reported price information for Common Stock on the day nearest preceding such date.

"Incentive Stock Option" shall mean a stock option granted under Section 6 that is intended to meet the requirements of Section 422 of the Code (or any successor provision).

"Internal Director" shall mean a Director of the Company who is an employee of the Company or a Subsidiary.

"Nonqualified Stock Option" shall mean a stock option granted under Section 6 that is not intended to be an Incentive Stock Option.

"Option" shall mean an Incentive Stock Option or a Nonqualified Stock Option.

"Optionee" shall mean the person to whom an option is granted under the Plan or who has obtained the right to exercise an option in accordance with the provisions of the Plan.

"Participant" shall mean an individual who is selected by the Committee to receive an Award under the Plan.

"Payment Value" shall mean the dollar amount assigned to a Performance Share which shall be equal to the Fair Market Value of the Common Stock on the day of the Committee's determination under Section 7(c) with respect to the applicable Performance Cycle.

"Performance Cycle" or "Cycle" shall mean the period of years selected by the Committee during which the performance is measured for the purpose of determining the extent to which an award of Performance Shares has been earned.

"Performance Goals" shall mean the objectives established by the Committee for a Performance Cycle, for the purpose of determining the extent to which Performance Shares that have been contingently awarded for such Cycle are earned.

"Performance Share" shall mean an award granted pursuant to Section 7 of the Plan expressed as a share of Common Stock.

"Plan Adoption Date" means the later of the date on which the Plan is adopted by the Board of Directors of the Company and by the shareholders of the Company in accordance with Rule 16b-3.

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"Qualifying External Director" shall mean an External Director who is not a person, an employee or affiliate of a person, or a designee to the Board of Directors of a person, that is required to file a statement under Section 13(d) or 13(g) of the Exchange Act or the rules, regulations, and interpretations of the Securities and Exchange Commission thereunder with respect to ownership of the Common Stock.

"Restricted Period" shall mean the period of years selected by the Committee during which a grant of Restricted Stock or Restricted Stock Units may be forfeited to the Company.

"Restricted Stock" shall mean shares of Common Stock contingently granted to a Participant under Section 8 of the Plan.

"Rule 16b-3" shall mean Rule 16b-3 of the rules and regulations under the Exchange Act as it may be amended from time-to-time and any successor provision to Rule 16b-3 under the Exchange Act.

"Stock Unit Award" shall mean an award of Common Stock or units granted under Section 9.

"Subsidiary" shall mean any now existing or hereafter organized or acquired corporation or other entity of which more than fifty percent (50%) of the issued and outstanding voting stock or other economic interest is owned or controlled directly or indirectly by the Company or through one or more Subsidiaries of the Company and, in addition, shall include Alcatel Amtech S.A.

for so long as the Company directly or indirectly owns more than forty percent (40%) of that company's issued and outstanding stock and WaveLink Technologies, Inc. for so long as the Company directly or indirectly owns or holds then exercisable rights to acquire more than twenty percent (20%) of that company's issued and outstanding stock.

Section 3. ADMINISTRATION

The Plan shall be administered by the Committee. The Committee shall have sole and complete authority to adopt, alter and repeal such administrative rules, guidelines and practices governing the operation of the Plan as it shall from time to time deem advisable, and to construe, interpret, and administer the terms and provisions of the Plan and the agreements thereunder. The determinations and interpretations made by the Committee are final and conclusive.

Section 4. ELIGIBILITY

All employees and non-employee consultants and advisors (other than members of the Committee), in each case, who, in the opinion of the Committee, in each case, have the capacity for contributing in a substantial measure to the successful performance of the Company are eligible to receive Awards under the Plan. In addition, External Directors are eligible to receive Awards of Options pursuant to Section 6(a) (4).

Section 5. MAXIMUM AMOUNT AVAILABLE FOR AWARDS

(a) The maximum number of shares of Common Stock in respect of which Awards may be made under the Plan shall be a total of 1,000,000 shares of Common Stock. Of that amount, the maximum number of shares of Common Stock in respect of which Options may be granted under the Plan shall be 1,000,000 shares. In addition, no Participant may be granted Options for more than 400,000 shares of Common Stock in the aggregate during the term of the Plan. Shares of Common Stock may be made

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available from the authorized but unissued shares of the Company or from shares reacquired by the Company, including shares purchased in the open market. In the event that (i) an Option is terminated unexercised as to any shares of Common Stock covered thereby, or (ii) any Award in respect of shares is cancelled or forfeited for any reason under the Plan without the delivery of shares of Common Stock, such shares shall thereafter be again available for award pursuant to the Plan.

(b) In the event that the Committee shall determine that any stock dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, exchange of shares, warrants or rights offering to purchase Common Stock at a price substantially below fair market value, or other similar corporate event affects the Common Stock such that an adjustment is required in order to preserve the benefits or potential benefits intended to be made available under the Plan, then the Committee shall adjust appropriately any or all of (1) the number and kind of shares which thereafter may be awarded or optioned and sold under the Plan, (2) the number and kind of shares subject of Awards, and (3) the grant, exercise or conversion price with respect to any of the foregoing and/or, if deemed appropriate, make provision for cash payment to a Participant or a person who has an outstanding Award; provided, however, that

the number of shares subject to any Option or other Award shall always be a whole number.

Section 6. STOCK OPTIONS

(a) Grant; Eligibility

(1) Subject to the provisions of the Plan, the Committee shall have sole and complete authority to determine the Employees to whom Options shall be granted, the number of shares to be covered by each Option, the option price therefor and the conditions and limitations applicable to the exercise of the Option.

(2) The Committee shall have the authority to grant Incentive Stock Options, or to grant Nonqualified Stock Options, or to grant both types of options. In the case of Incentive Stock Options, the terms and conditions of such grants shall be subject to and comply with the Code and relevant regulations. Incentive Stock Options to purchase Common Stock may be granted to such employees of the Company or its Subsidiaries (including any director who is also an employee of the Company or one of its Subsidiaries) as shall be determined by the Committee. Nonqualified Stock Options to purchase Common Stock may be granted to such Participants as shall be determined by the Committee. Neither the Company nor any of its Subsidiaries or any of their respective directors, officers or employees, shall be liable to any Optionee or other person if it is determined for any reason by the Internal Revenue Service or any court having jurisdiction that any Incentive Stock Option granted hereunder does not qualify for tax treatment as an Incentive Stock Option under the then applicable provisions of the Code.

(3) On the date an Internal Director is first appointed, or reappointed, as a Committee member by the Board of Directors: (1) an Internal Director/Chief Executive Officer shall automatically be granted nonqualified options to purchase 18,750 shares of Common Stock, an Internal Director/Vice President of Research and Development shall automatically be granted nonqualified options to purchase 12,500 shares of Common Stock, and an Internal Director/Other shall automatically be granted nonqualified options to purchase 1,250 shares of Common Stock; provided that, such

automatic option grants shall only be made if the Company has consolidated net income for the calendar year immediately preceding the date of the appointment. Subsequently appointed Internal Director Committee Members, if any, shall receive option grants based upon

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the formula applicable to their Disinterested Director category if the duties and responsibilities of their category of position remain substantially the same as those for that position on the date of the adoption of this Plan. All options granted pursuant to this Subsection 6(a)(3) shall be fully vested at the date of grant. No option grants shall be made to an Internal Director under this Subsection in a calendar year when such Internal Director received an option grant under Section 4(b) of the Company's 1992 Stock Option Plan.

(4) Subject to the provisions of this Subsection, on each date that a Qualifying External Director is re-elected to the Board of Directors, such Qualifying External Director shall be granted nonqualified options to purchase 2,500 shares of Common Stock. All options granted pursuant to this Subsection 6(a)(4) shall vest six months from the date of grant. No option grants shall be made to a Qualifying External Director under this Subsection in a calendar year when such Qualifying External Director received a 2,500 share option grant under Section 4(c) of the Company's 1992 Stock Option Plan or under Section 6 of the Company's 1996 Directors' Stock Option Plan. No 2,500 share option grants shall be made under this Subsection (i) after December 21, 1998, to a Qualifying External Director that does not own at least 10,000 shares of the Common Stock, in the case of those directors serving on the Company's Board of Directors on December 14, 1995, or (ii) in the case of other Qualifying External Directors (i.e.,

those not described in clause (i)), after the third anniversary of their appointment or election to the Company's Board of Directors if they do not own at least 10,000 shares of the Common Stock by such third anniversary.

(5) To the extent necessary to comply with Rule 16b-3, Subsections 6(a)(3) and 6(a)(4) shall not be amended more than once every six months, other than to comport with changes in the Code or in the Employee Retirement Income Security Act of 1974, as amended, or the rules promulgated thereunder.

(b) The Committee shall, in its discretion, establish the exercise price at the time each Option is granted, which in the case of Nonqualified Stock Options shall not be less than 100% of the Fair Market Value of the Common Stock on the Date of Grant, or in the case of grants of Incentive Stock Options, shall not be less than 100% of the Fair Market Value of the Common Stock on the Date of Grant or such greater amount as may be prescribed by

the Code.

(c) Exercise

(1) Each Option shall be exercisable at such times and subject to such terms and conditions as the Committee may, in its sole discretion, specify in the applicable grant or thereafter; provided, however, that in no event may any Option granted hereunder be exercisable after the expiration of ten years from the date of grant. The Committee may impose such conditions with respect to the exercise of Options, including without limitation, any relating to the application of federal or state securities laws, as it may deem necessary or advisable.

(2) No shares shall be delivered pursuant to any exercise of an Option until payment in full of the option price therefore is received by the Company. Such payment may be made in cash, or its equivalent, or, if and to the extent permitted by the Committee, by exchanging shares of Common Stock owned by the Optionee (which are not the subject of any pledge or other security interest), or by a combination of the foregoing, provided that the combined value of all

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cash and cash equivalents and the Fair Market Value of any such Common Stock so tendered to the Company, valued as of the date of such tender, is at least equal to such option price.

If the shares to be purchased are covered by an effective registration statement under the Securities Act of 1933, as amended, any Option may be exercised by a broker-dealer acting on behalf of an Optionee if (a) the broker-dealer has received from the Optionee instructions signed by the Optionee requesting the Company to deliver the shares of Common Stock subject to such option to the broker-dealer on behalf of the Optionee and specifying the account into which such shares should be deposited, (b) adequate provision has been made with respect to the payment of any withholding taxes due upon such exercise, and (c) the broker-dealer and the Optionee have otherwise complied with Section 220.3(e)(4) of Regulation T, 12 CFR Part 220, or any successor provision.

(3) The Company, in its sole discretion, may lend money to an Optionee, guarantee a loan to an Optionee or otherwise assist an Optionee to obtain the cash necessary to exercise all or any portion of an Option granted under the Plan.

(4) The Company shall not be required to issue any fractional shares upon the exercise of any Options granted under this Plan. No Optionee nor an Optionee's legal representatives, legatees or distributees, as the case may be, will be, or will be deemed to be, a holder of any shares subject to an option unless and until said option has been exercised and the purchase price of the shares in respect of which the option has been exercised has been paid. Unless otherwise provided in the agreement applicable thereto, an Option shall not be exercisable except by the Optionee or by a person who has obtained the Optionee's rights under the Option by will or under the laws of descent and distribution or pursuant to a "qualified domestic relations order" as defined in the Code.

(5) Any Common Stock issued to a person subject to the provisions of Section 16(b) of the Exchange Act, as interpreted by the rules, regulations, and interpretations of the Securities and Exchange Commission thereunder, pursuant to the exercise of an Option granted under this Plan and intended to comply with the requirements of Rule 16b-3 shall not be transferred until at least 6 months have elapsed from the later of (i) the date of grant of such Option or (ii) the Plan Adoption Date to the date of disposition of the Common Stock underlying such option.

(d) No Incentive Stock Options granted pursuant to this Section 6 shall be exercisable (a) more than five years (or such other period of time as from time-to-time provided in the then applicable provisions of the Code governing Incentive Stock Options) after the Date of Grant with respect to an Optionee who owns 10-Percent or more of the outstanding Common Stock (within the meaning of the Code), and (b) more than ten years after the Date of Grant with respect to all other Optionees. No Nonqualified Stock Options shall be exercisable more than ten years after the Date of Grant.

Section 7. PERFORMANCE SHARES

(a) The Committee shall have sole and complete authority to determine the Employees who shall receive Performance Shares, the number of such shares for each Performance Cycle, the Performance Goals on which each Award shall be contingent, the duration of each Performance Cycle, and the value of each Performance Share. There may be more than one Performance Cycle in existence at any one time, and the duration of Performance Cycles may differ from each other.

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(b) The Committee shall establish Performance Goals for each Cycle on the basis of such criteria and to accomplish such objectives as the Committee may from time-to-time select. During any Cycle, the Committee may adjust the Performance Goals for such Cycle as it deems equitable in recognition of unusual or non-recurring events affecting the Company, changes in applicable tax laws or accounting principles, or such other factors as the Committee may determine.

(c) As soon as practicable after the end of a Performance Cycle, the Committee shall determine the number of Performance Shares that have been earned on the basis of performance in relation to the established Performance Goals. Payment Values of earned Performance Shares shall be distributed to the Participant or, if the Participant has died, to the Participant's Designated Beneficiary, as soon as practicable after the expiration of the Performance Cycle and the Committee's determination above. The Committee shall determine whether Payment Values are to be distributed in the form of cash or shares of Common Stock.

(d) In the sole and complete discretion of the Committee, an Award granted under this Section 7 may provide the Participant with dividends or dividend equivalents (payable on a current or deferred basis) and cash payments in lieu of or in addition to an Award.

Section 8. RESTRICTED STOCK

(a) Subject to the provisions of the Plan, the Committee shall have sole and complete authority to determine the Employees to whom shares of Restricted Stock shall be granted, the number of shares of Restricted Stock to be granted to each Participant, the duration of the Restricted Period during which, and the conditions under which, the Restricted Stock may be forfeited to the Company, and the other terms and conditions of such awards. The Restricted Period may be shortened, lengthened or waived by the Committee at any time in its discretion with respect to one or more Participants or Awards outstanding, subject to the provisions of any applicable agreement.

(b) Shares of Restricted Stock may not be sold, assigned, transferred, pledged or otherwise encumbered, except as herein provided, during the Restricted Period. Certificates issued in respect of shares of Restricted Stock shall be registered in the name of the Participant and deposited by such Participant, together with a stock power endorsed in blank, with the Company. At the expiration of the Restricted Period, the Company shall deliver such certificates to the Participant or the Participant's legal representative, except to the extent such Restricted Stock have been forfeited to the Company under the terms and conditions of the Award. Payment, if any, for Restricted Stock Units shall be made to the Company in cash or shares of Common Stock, as determined at the sole discretion of the Committee.

(c) In the sole and complete discretion of the Committee, an Award granted under this Section 8 may provide the Participant with dividends or dividend equivalents (payable on a current or deferred basis) and cash payments in lieu of or in addition to an Award.

Section 9. OTHER STOCK BASED AWARDS

(a) In addition to granting Options, Performance Shares, and Restricted Stock, the Committee shall have sole and complete authority to grant to Participants Stock Unit Awards that can be in the form of Common Stock or units (including restricted stock units), the value of which is based, in whole or in part, on the value of Common Stock. Subject to the provisions of the Plan, including Section 10(b) below, Stock Unit Awards shall be subject to such terms, restrictions, conditions, vesting requirements

and payment rules (all of which are sometimes hereinafter collectively referred to as "rules") as the Committee may determine in its sole and complete discretion at the time of grant. The rules need not be identical for each Stock Unit Award.

(b) A Stock Unit Award may be granted subject to the following rules:

(1) Any shares of Common Stock that are part of a Stock Unit Award may not be assigned, sold, transferred, pledged or otherwise encumbered prior to the date on which the shares are issued or, if later, the date provided by the Committee at the time of grant of the Stock Unit Award.

(2) Stock Unit Awards may provide for the payment of cash consideration by the person to whom such Award is granted or provide that the Award, and any Common Stock to be issued in connection therewith, if applicable, shall be delivered without the payment of cash consideration, provided that for any Common Stock to be purchased in connection with a Stock Unit Award the purchase price shall be at least 50% of the Fair Market Value of such Common Stock on the date such Award is granted.

(3) Stock Unit Awards may relate in whole or in part to certain performance criteria established by the Committee at the time of grant.

(4) Stock Unit Awards may provide for deferred payment schedules and/or vesting over a specified period of employment.

(5) In such circumstances as the Committee may deem advisable, the Committee may waive or otherwise remove, in whole or in part, any restriction or limitation to which a Stock Unit Award was made subject at the time of grant.

(c) In the sole and complete discretion of the Committee, an Award pursuant to this Section 9 may provide the Participant with dividends or dividend equivalents (payable on a current or deferred basis) and cash payments in lieu of or in addition to an Award.

Section 10. GENERAL PROVISIONS

(a) The Company and its Subsidiaries shall have the right to deduct from all amounts paid to a Participant in cash (whether under the Plan or otherwise) any taxes required by law to be withheld in respect of Awards under the Plan. In the case of payments of Awards in the form of Common Stock, the Employer may require the Participant to pay to the Employer the amount of any taxes required to be withheld with respect to such Common Stock. However, if permitted by the Committee or under the terms of the applicable agreement, the Participant may pay all or any portion of the taxes required to be withheld by the Employer or paid by the Participant with respect to such Common Stock by electing to have the Employer withhold shares of Common Stock, or by delivering previously owned shares of Common Stock, having a Fair Market Value equal to the amount required to be withheld or paid. The Participant must make the foregoing election on or before the date that the amount of tax to be withheld is determined ("Tax Date"). Any such election is irrevocable and subject to disapproval by the Committee. If the Participant is subject to the short-swing profits recapture provisions of Section 16(b) of the Exchange Act, then the applicable agreement shall not provide the Participant an election, or, if it does, any such election shall be subject to the restrictions imposed by Rule 16b-3.

(b) Each Award hereunder shall be evidenced in writing, delivered to the Participant, and shall specify the terms and conditions thereof and any rules applicable thereto, including but not limited to the effect on such Award of the death, retirement, disability or other termination of employment of the Participant and the effect thereon, if any, of a change in control of the Company.

(c) Unless otherwise provided in the agreement applicable thereto, no Award shall be assignable or transferable except by will or under the laws of descent and distribution or pursuant to a "qualified domestic relations order" as

defined in the Code, and no right or interest of any Participant shall be subject to any lien, obligation or liability of the Participant.

(d) No person shall have any claim or right to be granted an Award. Further, the Company and its Subsidiaries expressly reserve the right at any time to dismiss a Participant free from any liability, or any claim under the Plan, except as provided herein or in any agreement entered into with respect to an Award. Neither the Plan nor any Award granted hereunder is intended to confer upon any Participant any rights with respect to continuance of employment or other utilization of his or her services by the Company or by a Subsidiary, nor to interfere in any way with his or her right or that of his or her employer to terminate his or her employment or other services at any time (subject to the terms of any applicable contract). The conditions to apply to the exercise of an Award in the event an Participant ceases to be employed by the Company or a Subsidiary for any reason shall be determined by the Committee, and such conditions shall be specified in the written agreement evidencing the award.

(e) Subject to the provisions of the applicable Award, no Participant or Designated Beneficiary shall have any rights as a stockholder with respect to any shares of Common Stock to be distributed under the Plan until he or she has become the holder thereof. Notwithstanding the foregoing, in connection with each grant of Restricted Stock or Stock Unit Award hereunder, the applicable Award shall specify if and to what extent the Participant shall not be entitled to the rights of a stockholder in respect of such Restricted Stock or Stock Unit Award.

(f) The validity, construction, interpretation, administration and effect of the Plan and of its rules and regulations, and rights relating to the Plan, shall be determined solely in accordance with the laws of the State of Texas (without giving effect to its conflicts of laws rules) and, to the extent applicable, federal law.

(g) Subject to the approval of the stockholders of the Company, the Plan shall be effective on April 21, 1995. No options or Awards may be granted under the Plan after April 20, 2005; however, all previous Awards made that have not expired under their original terms or will not then expire at the time the Plan expires will remain outstanding.

(h) Restrictions on Issuance of Shares

(1) The Company shall not be obligated to sell or issue any Shares upon the exercise or maturation of any Award granted under the Plan unless:
(i) the shares pertaining to such Award have been registered under applicable federal and state securities laws or are exempt from such registration; (ii) the prior approval of such sale or issuance has been obtained from any state regulatory body having jurisdiction; and (iii) in the event the Common Stock has been listed on any exchange, the shares pertaining to such Award have been duly listed on such exchange in accordance with the procedure specified therefor. The Company shall be under no obligation to effect or obtain any listing, registration, qualification, consent or approval with respect to shares

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pertaining to any Award granted under the Plan. If the shares to be issued upon the exercise or maturation of any Award granted under the Plan are intended to be issued by the Company in reliance upon the exemptions from the registration requirements of applicable federal and state securities laws, the recipient of the Award, if so requested by the Company, shall furnish to the Company such evidence and representations, including an opinion of counsel, satisfactory to it, as the Company may reasonably request.

(2) The Company shall not be liable for damages due to a delay in the delivery or issuance of any stock certificates for any reason whatsoever, including, but not limited to, a delay caused by listing, registration or qualification of the shares of Common Stock pertaining to any Award granted under the Plan upon any securities exchange or under any federal or state law or the effecting or obtaining of any consent or approval of any governmental body.

(i) The Board of Directors or Committee may impose such other restrictions on the ownership and transfer of shares issued pursuant to this Plan as it deems

desirable; any such restrictions shall be set forth in any agreement referenced in Section 10(b).

(j) Except as provided in Section 6(a)(5) of the Plan, the Board of Directors may amend, abandon, suspend or terminate the Plan or any portion thereof at any time in such respects as it may deem advisable in its sole discretion, provided that no amendment shall be made without stockholder approval if such stockholder approval is necessary to comply with any tax or regulatory requirement, including for these purposes any approval requirement that is a prerequisite for exemptive relief under Section 16(b) of the Act.

(k) In order to preserve a Participant's rights under an Award in the event of a change in control of the Company, the Committee in its discretion may, at the time an Award is made or any time thereafter, take one or more of the following actions: (i) provide for the acceleration of any time period relating to the exercise of the Award, (ii) provide for the purchase of the Award upon the Participant's request for an amount of cash or other property that could have been received upon the exercise or realization of the Award had the Award been currently exercisable or payable, (iii) adjust the terms of the Award in a manner determined by the Committee to reflect the change in control, (iv) cause the Award to be assumed, or new rights substituted therefor, by another entity, or (v) make such other provision as the Committee may consider equitable and in the best interests of the Company.

AMENDED AND RESTATED as of April 25, 1996.

AMTECH CORPORATION

By: /s/ Ronald A. Woessner

Its: Vice President

AMTECH CORPORATION
1996 EXECUTIVE MANAGEMENT
CASH BONUS PLAN

AMTECH CORPORATION 1996 EXECUTIVE MANAGEMENT CASH BONUS PLAN

The participants in this Plan are 23 members of the senior management of Amtech Corporation and its subsidiaries that have been selected by the Company's Board of Directors for participation.

The philosophy of the Plan is to:

- (1) reward on a successful efforts basis, creating the utmost incentive to

management to enhance shareholder value by creating increased profits;

- (2) maintain a lean management structure, while rewarding those who successfully discharge major responsibilities;
- (3) focus a significant portion of all individual bonus opportunities to the common goal of meeting or exceeding the 1996 planned pre-tax operating income, whereby the senior management team is "rewarded" or "goes without" as a team;

- (4) provide for individual bonus opportunities to reward individual performance where appropriate;
- (5) make time be of the essence by requiring an increasing amount of bonus opportunity be forfeited for each quarter the year-to-date planned pre-tax operating income is not achieved; and finally
- (6) hold back a percentage of each quarterly bonus even though year-to-date quarterly pre-tax operating income targets are met, whereby material bonuses are not paid in the event the annual planned pre-tax

operating income is not achieved.

Mechanics of Plan
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The participants in the Plan and the extent of their bonus opportunity (which varies from 10-30% of base salary) shall be established by the Board of Directors. A description of how the bonus opportunity may actually be realized is set forth below.

For most participants in the Plan, 55% of the Participant's bonus opportunity is tied to the Company achieving its 1996 pre-tax operating income goals, as approved by the Company's Board of Directors. The remaining percentage is discretionary based upon individual performance as determined by the Company's President/Chief Executive Officer and other applicable members of senior management.

The bonus opportunity that is tied to the Company meeting its 1996 pre-tax operating income goals is administered as set forth below:

- (1) The Bonus opportunity is allocated evenly over four quarters ("Quarterly Bonus Pool").
- (2) The quarterly distribution, if any, is based upon whether the Company has achieved the year-to-date planned pre-tax operating income

goals.
- (3) Quarterly distributions earned, if any, will be paid at the end of the month following the applicable quarter.

(4) The Quarterly calculations, cash payments, amount of bonus opportunities deferred to next quarter, and amount of bonus opportunity forfeited are as set forth below:

Quarter	Goal Met	Goal Not Met
First	50% of 1st Quarter Quarterly Bonus Pool is paid to employee and remaining 50% is deferred and added to 2nd Quarter Quarterly Bonus Pool creating a 2nd Quarter YTD Bonus Pool.	25% of 1st Quarter Quarterly Bonus Pool is forfeited and remaining 75% is deferred and added to 2nd Quarter Quarterly Bonus Pool creating a 2nd Quarter YTD Bonus Pool.
Second	70% of 2nd Quarter YTD Bonus Pool is paid to employee and remaining 30% is deferred and added to 3rd Quarter Quarterly Bonus Pool creating a 3rd Quarter YTD Bonus Pool.	35% of 2nd Quarter YTD Bonus Pool is forfeited and remaining 65% is deferred and added to 3rd Quarter Quarterly Bonus Pool creating a 3rd Quarter YTD Bonus Pool.
Third	80% of 3rd Quarter YTD Bonus Pool is paid to employee and remaining 20% is deferred and added to 4th Quarter Quarterly Bonus Pool creating a 4th Quarter YTD Bonus Pool.	40% of 3rd Quarter YTD Bonus Pool is forfeited and remaining 60% is deferred and added to 4th Quarter Quarterly Bonus Pool creating a 4th Quarter YTD Bonus Pool.
Fourth	100% of 4th Quarter YTD Bonus Pool is paid to employee.	100% of 4th Quarter YTD Bonus Pool is forfeited.

Furthermore, in the case of certain Plan participants selected by the Board of Directors, if the Company does not achieve its 1996 pre-tax operating income goals but achieves a specified percentage (as determined by the Board of Directors) of such goals, then a percentage (as determined by the Board of Directors) of the bonus amount that would have been payable under the Plan if the income goals had been met will be paid. Also, additional bonus amounts will be paid if the Company's 1996 pre-tax operating income goals are exceeded, as determined by the Board of Directors.

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