

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

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the

Securities Exchange Act of 1934

FOR THE QUARTERLY PERIOD ENDED APRIL 1, 1995

or

Transition Report Pursuant to Section 13 or 15(d) of the

Securities Exchange Act of 1934

Commission File No. 1-9973

THE MIDDLEBY CORPORATION

(Exact Name of Registrant as Specified in its Charter)

DELAWARE

36-3352497

(State or Other Jurisdiction of (I.R.S. Employer Identification No.)
Incorporation or Organization)

1400 TOASTMASTER DRIVE, ELGIN, ILLINOIS

60120

(Address of Principal Executive Offices)

(Zip Code)

Registrant's Telephone No., including Area Code (708) 741-3300

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 twelve (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

As of April 28, 1995, there were 8,385,363 shares of the registrant's common stock outstanding.

THE MIDDLEBY CORPORATION
QUARTER ENDED APRIL 1, 1995

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DESCRIPTION

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THE MIDDLEBY CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

	(Unaudited) April 1, 1995	Dec. 31, 1994
	-----	-----
Cash and Cash Equivalents.....	\$ 1,556,000	\$ 667,000
Accounts Receivable, net.....	18,411,000	18,064,000
Inventories, net.....	25,017,000	21,116,000
Prepaid Expenses and Other.....	941,000	1,394,000
	-----	-----
Total Current Assets.....	45,925,000	41,241,000
Property, Plant and Equipment, net of accumulated depreciation of \$12,879,000 and \$12,310,000.....	23,260,000	23,260,000
Excess Purchase Price Over Net Assets Acquired, net of accumulated amortization of \$3,133,000 and \$3,063,000.....	7,985,000	8,055,000
Other Assets.....	4,506,000	2,818,000
Investment in Affiliated Companies....	1,203,000	1,248,000
	-----	-----
Total Assets.....	\$ 82,879,000	\$ 76,622,000
	-----	-----
	-----	-----
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Maturities of Long-Term Debt..	\$ 1,896,000	\$ 1,822,000
Accounts Payable.....	14,938,000	11,252,000
Accrued Expenses.....	9,673,000	11,079,000
	-----	-----
Total Current Liabilities.....	26,507,000	24,153,000
Long-Term Debt.....	45,119,000	42,650,000
Minority Interest and Other		
Non-current Liabilities.....	1,837,000	1,782,000
Shareholders' Equity:		
Preferred Stock, \$.01 par value; nonvoting; 2,000,000 shares authorized; none issued.....	-	-
Common Stock, \$.01 par value; 20,000,000 shares authorized; 8,378,000 and 8,366,000 issued		

and outstanding in 1995 and 1994, respectively.....	83,000	83,000
Paid-in Capital.....	24,822,000	24,154,000
Cumulative Translation Adjustment...	(416,000)	(384,000)
Accumulated Deficit.....	(15,073,000)	(15,816,000)
	-----	-----
Total Shareholders' Equity.....	9,416,000	8,037,000
	-----	-----
Total Liabilities and Shareholders' Equity....	\$ 82,879,000	\$ 76,622,000
	-----	-----

See accompanying notes

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THE MIDDLEBY CORPORATION
CONSOLIDATED STATEMENTS OF EARNINGS
(Unaudited)

	Three Months Ended	
	April 1, 1995	April 2, 1994
	-----	-----
Net Sales.....	\$34,994,000	\$31,020,000
Cost of Sales.....	25,276,000	23,023,000
	-----	-----
Gross Margin.....	9,718,000	7,997,000
Selling and Distribution Expenses...	4,851,000	4,497,000
General and Administrative Expenses.	2,353,000	2,220,000
	-----	-----
Income from Operations.....	2,514,000	1,280,000
Interest Expense.....	1,184,000	904,000
Other Expense, Net.....	198,000	177,000
	-----	-----
Earnings before Income Taxes.....	1,132,000	199,000
Provision for Income Taxes.....	389,000	66,000
	-----	-----
Net Earnings.....	\$ 743,000	\$ 133,000
	-----	-----
Earnings Per Common and Common Equivalent Share.....	\$.09	\$.01
	-----	-----

See accompanying notes

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THE MIDDLEBY CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended	
	April 1, 1995	April 2, 1994
Cash Flows From Operating Activities-		
Net earnings.....	\$ 743,000	\$ 133,000
Adjustments to reconcile net earnings to cash provided by operating activities-		
Depreciation and amortization.....	724,000	641,000
Utilization of Subsidiary NOL's credited to paid-in capital (See Note 2).....	320,000	56,000
Changes in assets and liabilities-		
Accounts receivable.....	(348,000)	467,000
Inventories.....	(3,902,000)	(1,265,000)
Prepaid expenses and other assets....	814,000	(373,000)
Accounts payable and other liabilities.....	2,281,000	935,000
Net Cash Provided by Operating Activities.....	632,000	594,000
Cash Flows from Investing Activities-		
Additions to property and equipment....	(569,000)	(320,000)
Net Cash Used by Investing Activities.....	(569,000)	(320,000)
Cash Flows From Financing Activities-		
Proceeds from note.....	15,000,000	-
Proceeds from bank debt.....	31,000,000	-
Repayment of debt.....	(44,055,000)	-
Payments of long-term debt.....	(5,000)	(4,000)
Increase in revolving credit, net.....	603,000	(200,000)
Cost of financing activities.....	(1,717,000)	-
Net Cash Provided/(Used) by Financing Activities.....	826,000	(204,000)
Changes in Cash and Cash Equivalents-		
Net increase in cash and cash equivalents.....	889,000	70,000
Cash and cash equivalents at beginning of year.....	667,000	425,000
Cash and Cash Equivalents at End of Quarter.....	\$ 1,556,000	\$ 495,000
Interest paid.....	\$ 527,000	\$ 875,000
Income taxes paid.....	\$ 128,000	\$ 23,000

See accompanying notes

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THE MIDDLEBY CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

APRIL 1, 1995

(Unaudited)

1) Basis of Presentation

The financial statements have been prepared by The Middleby Corporation (the "Company"), without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information not misleading. These financial statements should be read in conjunction with the financial statements and related notes contained in the Company's 1994 Annual Report. Other than as indicated herein, there have been no significant changes from the data presented in said Report.

In the opinion of management, the financial statements contain all adjustments necessary to present fairly the financial position of the Company as of April 1, 1995 and December 31, 1994, and the results of operations and cash flows for the three months ended April 1, 1995 and April 2, 1994, respectively.

2) Income Taxes

The Company files a consolidated Federal income tax return. In January, 1993, the Company adopted Statement of Financial Accounting Standards No. 109 ("SFAS 109"), Accounting for Income Taxes. SFAS 109 requires the recognition of deferred tax assets and liabilities for expected future tax consequences of events that have been recognized in the Company's financial statements or tax returns. Adoption of SFAS 109 was effected through the cumulative catch-up method.

The Company has recorded an income tax provision of \$389,000 for the fiscal three months ended April 1, 1995. Although the Company is not a Federal taxpayer due to its NOL carry-forwards, a tax provision is still required to be recorded. As a majority of the NOL carry-forwards relate to an old quasi-reorganization, utilization of the NOL carry-forwards is recorded as a credit to the tax provision, but is directly credited to paid-in capital. The utilization of the net operating loss carry-forwards depends on future taxable income during the applicable carry-forward periods. In adopting SFAS 109 in 1993, the

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Company recorded a valuation allowance equal to the net deferred tax assets to reflect the inherent uncertainty in being able to predict future events. A tax asset of \$1,350,000 was established as of December 31, 1994 with a credit to provision for income taxes of \$339,000 and a credit directly to paid-in capital of \$1,011,000. An additional \$320,000 of the fiscal first quarter 1995 tax provision has been credited to paid-in capital. The reduction in the valuation allowance and increase in shareholders' equity of \$1,350,000 reflects management's judgment as to the Company's ability to generate taxable income during the carry-forward periods. The remaining net operating loss and tax credit carry-forwards available to the Company will be recorded into income and equity at a future date.

3) Earnings Per Share

Earnings per share of common stock are based upon the weighted average number of outstanding shares of common stock and common stock equivalents. The treasury stock method is used in computing common stock equivalents, which included stock options and a warrant issued in conjunction with the senior secured note. The terms of the warrant provide for the purchase of 250,000 shares at \$3 per share, however, under certain conditions, the warrant terms provide for the purchase of 200,000 shares at \$.01 per share. Earnings per share were computed based upon the weighted average number of common shares outstanding of 8,661,000 and 8,397,000 for the fiscal

quarters ended April 1, 1995 and April 2, 1994, respectively.

4) Inventories

Inventories are valued using the first-in, first-out method.

Inventories consist of the following:

	Apr. 1, 1995	Dec. 31, 1994
	-----	-----
Raw Materials and Parts	\$11,030,000	\$ 8,404,000
Work in Process	6,268,000	5,866,000
Finished Goods	7,719,000	6,846,000
	-----	-----
	\$25,017,000	\$21,116,000
	-----	-----
	-----	-----

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5) Accrued Expenses

Accrued expenses consist of the following:

	Apr. 1, 1995	Dec. 31, 1994
	-----	-----
Accrued payroll and related expenses.....	\$ 3,710,000	\$ 4,800,000
Accrued commissions.....	2,047,000	2,191,000
Accrued warranty.....	1,420,000	1,365,000
Accrued interest.....	719,000	62,000
Other.....	1,777,000	2,661,000
	-----	-----
	\$ 9,673,000	\$11,079,000
	-----	-----
	-----	-----

6) Certain amounts have been reclassified in 1994 to be consistent with the 1995 presentation.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Unaudited).

RESULTS OF OPERATIONS

Net sales for the fiscal three months ended April 1, 1995 increased by \$3,974,000 (12.8%) compared to the prior year's three month period ended April 2, 1994. International sales increased 29% in the first quarter over 1994 and represented 26% of total sales versus 22% in 1994. The increase in sales from the prior year resulted from the success of several new product programs and continued recognition by the foodservice industry of the Company's extensive international sales and service network.

Gross profit increased \$1,721,000 (21.5%) for the quarter compared to the prior year's quarter. As a percentage of net sales, gross margin increased 2.0% to 27.8% for the quarter from the prior year's quarter. The increase in gross margin is attributable primarily to increased sales volume, the success of new product programs, improved product mix and operating efficiencies.

Selling, distribution, general and administrative expenses increased \$487,000 (7.3%) for the three month period. As a percentage of sales, selling, general and administrative expenses decreased to 20.6% for the three months ended April 1, 1995, compared to 21.7% for the prior year's three month period. The improved results reflect leverage of expenses on a higher sales volume.

Interest expense for the fiscal quarter ended April 1, 1995 increased \$280,000 (30.9%) compared to the prior year's quarter ended April 2, 1994. The increase is primarily due to higher prevailing interest rates during the first quarter of 1995 compared to the first quarter of 1994.

The Company recorded net earnings of \$743,000 or \$.09 per share for the three month period ended April 1, 1995. This compared to net earnings of \$133,000 or \$.01 per share for the three month period ended April 2, 1994. The first quarter increase in net earnings is attributable to the success of several new product programs, increased demand in international markets, improved operating efficiencies, and leverage of operating expenses.

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FINANCIAL CONDITION AND LIQUIDITY

For the three months ended April 1, 1995, net cash provided by operating activities before changes in assets and liabilities was \$1,787,000 as compared to \$830,000 for the three months ended April 2, 1994. Net cash provided by operating activities after changes in assets and liabilities was \$632,000 as compared to \$594,000 in the prior year-to-date period. Increased operating earnings and accounts payables were partially offset by increases in receivables and inventories due to increasing volume.

On January 10, 1995, the Company's subsidiaries consummated a \$57,500,000 financing package to replace existing bank debt of \$44,000,000 and provide working capital for future growth. The financing includes a \$42,500,000 senior secured credit facility from a group of lenders led by an affiliate of a major international bank and a \$15,000,000 senior secured note placement with a major insurance company. The credit facility includes a \$15,000,000 five-year term loan, a \$2,500,000 capital expenditure facility, and a \$25,000,000 revolving credit line. The senior secured notes have an eight-year term with payments beginning in the sixth year and bear interest at 10.99%. A warrant for the purchase of 250,000 shares of common stock at an exercise price of \$3 per share was issued in conjunction with the notes; however, under certain conditions, the terms of the warrant provide for the purchase of 200,000 shares at \$.01 per share.

The Company incurred financing costs of \$1,717,000 which will be amortized over the average life of the note and bank debt's term. During the fiscal quarter, the Company increased its borrowings under the revolving credit agreement by \$2,548,000 for payment of the financing costs and funding of operations.

Management believes the Company has sufficient financial resources available to meet its anticipated requirements for funds for operations in the current fiscal year and can satisfy the obligations under its credit and note agreements.

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PART II OTHER INFORMATION

The Company was not required to report the information pursuant to Items 1 through 6 of Part II of Form 10-Q for any of the three months ended April 1, 1995, except as follows:

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a) Exhibits - The following Exhibits are filed herewith:

Exhibit (10)(iii)(a) - Amended and Restated Employment Agreement of William F. Whitman, Jr., dated January 1, 1995.

Exhibit (10)(iii)(b) - Amended and Restated Employment Agreement of David P. Riley dated January 1, 1995.

Exhibit (10)(iii)(c) - The Middleby Corporation Retirement Plan for Independent Directors adopted as of January 1, 1995.

Exhibit (10)(iii)(d) - 1995 Management Incentive Plan.

Exhibit (27) - Financial Data Schedule

b) Reports on Form 8-K - No such reports were filed during the quarter for which this report is filed.

SIGNATURES

Pursuant to the requirements 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.

THE MIDDLEBY CORPORATION

(Registrant)

Date May 15, 1995

By: /s/ John J. Hastings

John J. Hastings, Executive
Vice President, Chief
Financial Officer and
Secretary

AMENDED AND
RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "AGREEMENT"), dated as of January 1, 1995 by and among The Middleby Corporation, a Delaware corporation ("TMC"), Middleby Marshall Inc., a Delaware corporation (the "COMPANY"), (collectively the "EMPLOYER"), and William F. Whitman Jr. ("WHITMAN") amends and restates in its entirety the Employment Agreement dated as of March 10, 1978 among the parties hereto (or their respective predecessors), as modified and clarified as of such date, and as amended by the Amendment to Employment Agreement dated December 19, 1983, the Supplement to Employment Agreement dated May 16, 1984, the Amendment to Employment Agreement of William F. Whitman, Jr. dated as of January 1, 1991, the Amendment to Employment Agreement of William F. Whitman, Jr. dated June 17, 1993, and the Amendment to Employment Agreement of William F. Whitman, Jr. dated December 23, 1994 (as so amended, modified, clarified and supplemented, the "ORIGINAL AGREEMENT").

R E C I T A L:

The Employer desires to continue the employment of Whitman as Chairman of the Board of Directors of TMC and Chairman of the Board of Directors of the Company; Whitman desires to continue to serve the Employer in such capacities, all of the terms and conditions hereinafter provided.

NOW, THEREFORE, the parties hereto hereby amend and restate the Original Agreement in its entirety as follows:

1. EMPLOYMENT. The Employer agrees to employ Whitman and Whitman agrees to be employed by the Employer subject to the terms and provisions of the Agreement.

2. TERM. The employment of Whitman by Employer as provided in Section 1 will be for a period commencing on January 1, 1995 and ending on December 31, 2000, unless sooner terminated as hereinafter provided.

3. DUTIES. Whitman shall serve as Chairman of the Board of Directors of TMC and shall have such powers and duties as may be from time to time prescribed by the Board of Directors of TMC, provided that the nature of Whitman's powers and duties so prescribed shall not be inconsistent with Whitman's position and duties hereunder. Whitman shall also serve as Chairman of the Board of Directors of the Company reporting only to the Board of Directors of the Company and shall have the powers and duties as may from time to time be prescribed by the Board of Directors of the Company. Whitman shall devote such portion of his time as shall be necessary to manage the business and affairs of Employer and shall use his best efforts to advance the best interests of Employer, provided, however, that Whitman shall be permitted to invest in real estate and engage in other outside business activities which are not related to or competitive with the business and affairs of Employer for which he may receive compensation, and provided further that such activities do not unreasonably interfere with the performance of his duties and obligations hereunder. If elected as such, Whitman shall serve as

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a member of the Executive Committee of the Board of Directors of TMC and the Company. The Employer shall indemnify Whitman to the fullest extent permitted by the General Corporation Law of the State of Delaware, as amended from time to time for all amounts (including, without limitation, judgments, fines, settlement payments, expenses and attorneys' fees) incurred or

paid by Whitman in connection with any threatened, pending or completed action, suit, investigation or proceeding, whether civil, criminal, administrative or investigative, arising out of or relating to the performance by Whitman of services for, or the acting by Whitman as a director, officer or employee of TMC, the Company, any subsidiary of TMC or the Company or any other person or enterprise at TMC's or the Company's request. The Company and TMC shall each use their best efforts to obtain and maintaining full force and effect during the term of this Agreement Directors' and Officers' Liability Insurance Policies providing full and adequate protection to Whitman, for all his capacities, provided that the Boards of Directors of TMC and the Company shall have no obligation to purchase such insurance if, in their opinion, coverage is available only on unreasonable terms.

4. COMPENSATION DURING EMPLOYMENT; RELATED MATTERS.

(a) BASE SALARY. Commencing January 1, 1995, the Employer shall pay to Whitman a base salary at a rate per annum not less than \$350,000, payable in equal semimonthly installments during the period of Whitman's employment hereunder. The Boards of Directors of Employer at least annually will review Whitman's base

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salary and other compensation during the period of his employment hereunder with a view to the increase thereof based upon his performance, inflation, then prevailing industry salary scales and other relevant factors. Any increase in base salary or other compensation shall in no way limit or reduce any other obligation of TMC or the Company hereunder and, once established at an increased specified rate, Whitman's base salary hereunder shall not thereafter be reduced.

(b) BONUSSES. Employer shall establish a bonus pool to which shall be credited each year beginning January 1, 1995, an amount equal to 6% of the operating profits of Employer calculated prior to tax, interest, corporate office and other allocation charges. Whitman shall be entitled to a distribution of one-half of such bonus pool subject to the terms and conditions of the bonus pool program. In addition, Whitman shall be entitled to a one-half participation in any other bonus or similar program established by Employer. All such payments shall be separate from and in addition to the base salary paid under subsection 4(a).

(c) EXPENSE REIMBURSEMENT. Employer shall reimburse Whitman for those reasonable, proper and necessary expenses incurred by him in connection with the business of Employer for which he submits itemized statements in reasonable detail.

(d) PARTICIPATION IN BENEFIT PLANS. Whitman shall be entitled to participate in or receive benefits under any pension plan, profit sharing plan, stock option plan, stock purchase plan or arrangement, health-and-accident plan, or any other employee

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benefit plan or arrangements made available in the future by TMC or the Company, or any of their respective subsidiaries, to its executives and key management employees. Nothing paid to Whitman under any such plan or arrangement (or under any such plan or arrangement presently in effect, other than under the bonus pool program referred to in subsection 4(b) above) shall be deemed or treated as a payment to Whitman hereunder.

(e) VACATION. Whitman shall be entitled to paid vacation days in each calendar year determined by the Employer from time to time, but not less than six weeks in any calendar year, prorated in any calendar year during Whitman is employed hereunder for less than an entire year in accordance with the

number of days in such year during which he is so employed. Whitman shall also be entitled to all paid holidays given by Employer to their senior executive officers.

(f) MINIMUM SPECIFIED BENEFITS. Notwithstanding Whitman's participation in any benefit plans under subsection 4(d), Whitman shall be entitled to the minimum specified benefits listed in Exhibit A hereto during the term of this Agreement and for a period of one year after termination hereof.

5. REGISTRATION RIGHTS.

(a) DEMAND RIGHTS. Upon the written request of Whitman at any time, but no more than once during the term of this Agreement, (which request shall specify the number of shares of TMC common stock owned by Whitman and which he intends to sell or dispose of (collectively "TMC SHARES") and terms and conditions of

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sale or disposal), TMC shall as promptly as is reasonably possible, prepare, file and use its best efforts to cause to become effective a registration statement under the Securities Act of 1933, as amended (the "ACT"), or any similar statute then in effect, with respect to the TMC Shares and TMC shall take whatever action may be necessary to permit such sale or other disposition of the TMC Shares.

(b) INCIDENTAL RIGHTS. If TMC at any time proposes to file a registration statement covering proposed sales for cash of any of its equity securities under the Act or any similar federal statute then in effect, it will give written notice to Whitman and at the written request of Whitman within twenty days of receipt of such notice, which request cannot be made more than twice during the term of this Agreement (which written requests shall specify the number of TMC Shares intended to be sold or disposed of and terms and conditions of sale or disposal), TMC shall use its best efforts to cause such TMC Shares to be included in the registration statement and take whatever action is necessary to permit such sale or other disposition.

(c) GENERAL. TMC shall keep effective and maintain any registration specified in the two immediately preceding Subsections for a period not exceeding six months as Whitman may request and from time to time during such period shall amend or supplement the prospectus used in connection therewith to the extent necessary to comply with applicable law. TMC shall furnish Whitman with as many copies of any prospectus (and of any amended or supplemental

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prospectus) in connection with any such registration as he may reasonably request and TMC shall, when requested by Whitman, take any action necessary to permit the offering of TMC Shares under the securities laws of such states as he may designate.

(d) EXPENSES. All expenses, disbursements and fees in connection with any action required to be taken under this Section 5 shall be borne by TMC and shall not be borne by Whitman.

(e) LEGAL OPINION. At the time when any registration statement under the Act pursuant to this Section 5 becomes effective and at the time of each post effective amendment, TMC will furnish to Whitman an opinion of counsel reasonably satisfactory to Whitman to the effect that to the best of the knowledge of such counsel, (i) no stop order suspending the effectiveness of the registration statement has been issued and

no proceedings for that purpose have been instituted or are pending or contemplated under the Act, (ii) the registration statement and the prospectus as of the effective date of the registration statement or amendment, as the case may be, appeared on their face to be appropriately responsive in all material respects to the requirements of the Act and the applicable rules and regulations of the Securities and Exchange Commission thereunder (iii) such counsel have no reason to believe that the registration statement or the prospectus, as of the effective date of the registration amendment, as the case may be, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not

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misleading, and (iv) the TMC Shares offered thereunder have been duly authorized and upon issuance will be fully paid and nonassessable, and it is understood that counsel need not express any opinion or belief as to the financial statements or financial data contained in the registration statement or prospectus and need assume no responsibility for the accuracy, completeness or fairness of the statements contained in the registration statement and prospectus and need assume no responsibility for the accuracy, completeness or fairness of the statements contained in the registration statement and prospectus (or any amendment or supplement thereto) except for those made in the prospectus under the captions setting forth descriptions of the common stock of TMC and any underwriting agreement to which the TMC is a party insofar as they relate to the provisions of statements therein described.

(f) INDEMNIFICATION. TMC hereby agrees to indemnify Whitman against all losses, claims, damages, liabilities and expenses and actions (under the Act, common law or otherwise) caused by any untrue statement or alleged untrue statement of a material fact contained in any such registration statement or prospectus (and as amended or supplemented if TMC furnished any amendments or supplements thereto) or any preliminary prospectus or caused by any omission or alleged omission to state therein a material fact required to be stated therein necessary to make the statements therein not is leading, except insofar as such losses, claims, damages, liabilities or expenses are caused by any untrue statement or omission contained in information furnished in writing

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to TMC by Whitman expressly for use therein. If the offering pursuant to any such registration statement is made through underwriters, TMC agrees to enter into an underwriting agreement in customary form with such underwriters and to indemnify such underwriters and each person who controls such underwriters within the meaning of the Act or any similar federal statute then in effect to the same extent as herein before provided and as appropriate with respect to the indemnification of Whitman. In connection with any registration statement in which Whitman is participating, Whitman will furnish to TMC in writing such information as shall reasonably be required by Whitman for use in any such registration statement or prospectus and Whitman will indemnify TMC, its directors and officers, each underwriter and each person, if any, who controls TMC or any underwriter within the meaning of the Act, against any losses, claims, damages, liabilities and expenses and actions in respect thereof (under the Act or common law or otherwise) resulting from any untrue statement or alleged untrue statement of a material fact or any omission or alleged omission of a material fact required to be stated in the registration statement or prospectus and necessary to take the statements therein not misleading, but only to the extent that such untrue statement or omission is contained in information so furnished in writing by Whitman

expressly for use therein.

6. TERMINATION.

(a) Whitman's employment hereunder may be terminated (unless a notice of dispute is given as below provided) upon not

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less than 60 days' written notice by the Boards of Directors of TMC and the Company to Whitman in the event that Whitman hereafter (i) shall willfully fail to comply with any of the material terms of this Agreement, (ii) shall willfully fail to perform his duties hereunder, or (iii) shall willfully engage, in his capacity as an executive officer of the Employer, in gross misconduct injurious to either TMC or the Company, and a vote to such effect shall have been adopted by not less than a majority of the directors then in office of TMC or the Company (whichever is applicable), after reasonable notice to Whitman and an opportunity for him to be heard before such Board. For purposes of this Subsection 6(a) no act, or failure to act, on Whitman's part shall be considered "WILLFUL" unless done, or omitted to be done, by him not in good faith and without reasonable belief that his action or omission was in the interest of TMC or the Company.

(b) Whitman's employment hereunder may be terminated (unless a notice of dispute is given as provided below) upon not less than 60 days' written notice by the Boards of Directors of the Employer to Whitman in the event that (i) the Boards shall have received a written statement from a reputable independent physician to the effect that Whitman shall have become so incapacitated as to be unable to resume within the ensuing 12 months his employment hereunder by reason of physical or mental illness, or (ii) Whitman shall not have substantially performed his duties hereunder for six consecutive months (exclusive of any vacation permitted under subsection 4(e) hereof) by reason of any such physical or mental

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illness; and in the event Whitman's employment hereunder is terminated pursuant to this Subsection 6(b), commencing with the effective date of such termination, the Employer shall pay and provide the benefits described in Section 7 below.

(c) If, within thirty days after any notice of termination is given as provided above, Whitman informs the Employer in writing that a dispute exists concerning such termination, such termination shall not occur until the date on which such dispute is finally resolved, either by mutual written agreement of the parties, by a binding and final arbitration award or by a final judgment, order or decree of a court of competent jurisdiction (the time for appeal therefrom having expired and no appeal having been perfected). During the pendency of any dispute pursuant to a notice given pursuant to this Subsection 6(c), the Employer will continue to pay and provide to or for Whitman all of the compensation and benefits provided for during the term of this Agreement, except that, until such dispute is finally resolved as provided above, Whitman's base salary shall be paid at the rate of 75% of his base salary in effect immediately prior to the date of the notice of termination. If there is a final determination to the effect that the Employer did not have a proper basis for such termination, the Employer shall promptly pay or provide to Whitman the total amount by which his base salary payments were reduced pursuant to the preceding sentence.

(d) In the event the Employer breaches any of the provisions of this Agreement in any material respect and such

breach shall continue after 30 days notice thereof from Whitman, such breach shall constitute a constructive termination of Whitman's employment by the Employer in a manner not permitted by this Agreement, and Whitman may (but shall not be required to) terminate his employment hereunder. Should Whitman elect to terminate his employment hereunder upon any such constructive termination by the Employer, Whitman shall be entitled to receive on the date of such termination an amount equal to two (2) times his annual base salary in effect at the date of such breach and in addition the Employer shall commence to pay and provide the benefits described in Section 7 below. Should Whitman elect not to terminate his employment hereunder upon any such constructive termination by the Employer, Whitman shall be entitled to continue in the employ of the Employer subject to all of the terms and provisions of this Agreement for a period of two years from the date of such breach or until the expiration of the term hereof, if later.

(e) Notwithstanding anything to the contrary contained in this Agreement, the Board of Directors of the Employer may terminate Whitman's active employment under this Agreement, without cause, by giving at least 90 days written notice thereof to Whitman. In the event of such termination:

(i) Whitman shall be entitled to receive (A) on the date of such termination an amount equal to two (2) times his annual base salary in effect at such date; and (B) bonuses as specified in Subsection 4(b) through the two (2) year period

commencing on the date of such termination (Any bonus due with respect to a period of less than a full fiscal year shall be payable promptly following determination of the operating profits (before taxes, interest and charges) for such fiscal year in an amount equal to the bonus calculated as provided in Subsection 4(b) multiplied by a fraction, the numerator of which is the number of days from the commencement date of such fiscal year to the Termination Date, and the denominator of which is 365); and

(ii) commencing on the date of such termination, Whitman shall be entitled to receive the benefits described in Section 7 below.

(f) In the event that the proportionate share of the total outstanding voting securities of TMC held by any person other than Whitman, or held by any group of two or more persons who agree to act together for the purpose of acquiring, holding, voting or disposing of the voting securities of TMC and Whitman is not a member of such group, shall increase after the date hereof by twenty-five (25) percentage points or more, then at any time during the two (2) year period immediately following such increase, Whitman shall have the right, upon written notice to Employer, to terminate his employment and, upon such termination, shall be entitled to receive from Employer (i) any and all accrued but unpaid base salary and other compensation through the date of termination, (ii) any and all benefits under Subsection 4(b) hereof accrued but unpaid to the date of termination, (iii) the benefits described in Section 7 hereof, (iv) for a period of one year

beginning on the date of termination, all health and medical benefits which Employer was providing to Whitman immediately prior to such termination, and (v) as severance pay, an amount equal to two years of base salary as in effect

immediately prior to such termination, such amount to be payable in equal monthly installments during the two (2) year period beginning on the date of termination. Upon such termination, the provisions of Sections 9, 10 and 11 shall continue in full force and effect; provided, however, that Whitman shall be bound by the covenants set forth in Subsection 10(a) as if Employer had elected to pay the base compensation specified in such Subsection 10(a); provided further that Employer shall not be obligated to pay such base compensation or any other amount except as provided above in this Subsection 6(f). This Subsection 6(f) shall apply upon the occurrence of the events described herein without regard to Subsection 6(g) hereof.

EXAMPLE: On January 1, 1995, Individual A, a person other than Whitman, owns 2.42% of the total outstanding voting securities of TMC. Thereafter Individual A commences a series of open market purchases, and on March 3, 1996 for the first time his holdings exceed 27.42% of the total outstanding voting securities of TMC. Whitman may terminate his employment with Employer at any time from March 3, 1996 through March 3, 1998, and upon such termination shall be entitled to those amounts set forth in this Section 6(f).

(g) Whitman may elect to terminate his active employment under this Agreement by giving at least 90 days written notice to

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the Company. Whitman's compensation and other benefits hereunder shall cease as of the date specified in such notice, and Whitman shall be entitled to receive from Employer (i) any and all accrued but unpaid base salary and other compensation through the date of termination, (ii) any and all benefits under Subsection 4(b) hereof accrued but unpaid to the date of termination, and (iii) the benefits described in Section 7 hereof, and the provisions of Sections 9, 10 and 11 shall continue in full force and effect. This Subsection 6(g) shall not apply to any termination to which Subsection 6(d) or 6(f) applies.

7. RETIREMENT.

(a) MONTHLY BENEFITS.

In addition to Whitman's participation in any pension plan referred to in Subsection 4(d) hereof, the Employer will after termination of Whitman's employment with the Employer for any reason or for no reason, pay to Whitman or his designee retirement benefits (calculated as provided below) in equal monthly installments commencing on the first day of the month following the effective date of such termination of employment. Each monthly installment of retirement benefits shall be in an amount equal to one-twelfth (1/12) of seventy-five percent (75%) of Whitman's Total Compensation in effect during the last year of his employment with the Employer.

In addition, on each anniversary of the date of the first payment of retirement benefits pursuant to this Subsection 7(a), the Employer shall increase the amount of such retirement benefits

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payable on and after such anniversary date by a percentage equal to the percentage increase in the Consumer Price Index For All Urban Consumers for the twelve (12) month period then ended. Any such retirement benefits will be reduced, commencing March 1, 2005, by the amount per month which Whitman is entitled to receive under the Salaried Retirement Plan of the Company which was terminated in 1982. Retirement benefits paid

pursuant to this Subsection 7(a) shall be paid to Whitman for his life, provided, however, that in the event of his death prior to age seventy-five (75), such retirement benefits shall be paid (or shall continue, as the case may be) to such beneficiary or beneficiaries as Whitman shall designate (or in the event of default of such designation, to his estate) until the first day of the month in which Whitman would have attained age seventy-five (75).

For purposes hereof, "Total Compensation" for any year of employment with the Employer shall mean the sum of (i) Whitman's base salary from the Employer or any Affiliate in effect during such year (without regard to any reduction pursuant to Subsection 6(c) above), plus (ii) the annualized amount of director's fees payable to Whitman by the Employer or any Affiliate during such year for services rendered by him. For purposes hereof, "Affiliate" shall mean (x) Asbury Associates, Inc., and (y) any other direct or indirect majority- or wholly-owned subsidiary of the Employer.

(b) HEALTH AND MEDICAL BENEFITS. In addition to the benefits referred to in Subsection 7(a) hereof, the Employer, after

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termination of Whitman's employment with the Employer for any reason or for no reason, shall maintain in full force and effect for the continued benefit of Whitman and his spouse all health and medical plans and programs which the Employer maintains for its senior executives and their families, provided that such participation is permitted under the general provisions of such plans and programs, and provided further that the benefits under such plans and programs shall be secondary to any governmentally provided benefits. In the event that Whitman's or his spouse's participation in any such plan or program is barred or otherwise not permitted, the Employer shall provide health and medical benefits to Whitman and his spouse substantially similar to those from which he or she was barred or in which he or she was otherwise not permitted to participate. The Employer shall provide such benefits to Whitman and his spouse for their respective lives. The Employer may self-insure such benefits or may purchase individual policies or plans to provide such benefits. If, while eligible for benefits under this Subsection 7(b), Whitman becomes employed by any person and becomes eligible for health and medical benefits under such employer's health plan, the Employer shall be relieved, during the period of such employment and to the extent of the benefits for which Whitman and his spouse are eligible under such employer's plan, of the obligation to provide the health and medical benefits described in this Subsection 7(b). Nothing in this Subsection 7(b) shall be construed to give Whitman the right

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to continued employment which is not expressly set forth in this Agreement.

(c) In order to fund and secure the obligations of the Employer under this Section 7, the Employer agrees at Whitman's request to purchase within sixty (60) days after the end of each year of his employment an annuity (from such insurance company as Whitman may approve) in an amount necessary to fund Employer's obligations under this Section 7.

8. DISPUTES. If Whitman or the Employer shall dispute any termination of Whitman's employment hereunder or if any dispute concerning any payment hereunder shall exist,

(a) either party shall have the right (but not the obligation), in addition to all other rights and remedies

provided by law, to compel arbitration of the dispute in the City of New York under the rules of the American Arbitration Association by giving written notice of arbitration to the other party within thirty days after notice of such dispute has been received by the party to whom given, and

(b) if such dispute (whether or not submitted to arbitration pursuant to subsection (a) above) results in a determination that (i) the Employer did not have the right to terminate Whitman's employment under the provisions of this Agreement, (ii) Whitman did have the right to terminate his employment under the provisions of this Agreement, or (iii) the position taken by Whitman concerning payments to Whitman is correct, as the case may be, the Employer shall promptly pay, or if

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theretofore paid by Whitman, shall promptly reimburse Whitman for, all costs and expenses (including counsel fees) reasonably incurred by Whitman in connection with such dispute.

9. PROTECTION OF CONFIDENTIAL INFORMATION

(a) COVENANT. Whitman acknowledges that his employment by the Employer will, throughout the term of this Agreement, bring him into close contact with many confidential affairs of the Employer, including information about costs, profits, markets, sales, products, key personnel, pricing policies, operational methods, technical processes and other business affairs and methods and other information not readily available to the public and plans for future developments. Whitman further acknowledges that the business of Employer is or may hereafter be conducted throughout the world (the "Territory"), that its products are marketed throughout the Territory, that Employer competes in nearly all of its business activities with other organizations which are or could be located in nearly any part of the Territory and that the nature of the services and position of Whitman are such that he is capable of competing with Employer from nearly any location in the Territory. In recognition of the foregoing, Whitman covenants and agrees:

(i) That he will keep secret all confidential matters of Employer and not disclose them to anyone outside of the Employer, either during or after the term of this Agreement except with the Employer's prior written consent; and

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(ii) That he will deliver promptly to Employer on termination of this Agreement, or at any time Employer may so request, all confidential memoranda, notes, records, reports and other confidential documents (and all copies thereof) relating to the Employer's business, which he may then possess or have under his control.

(b) SPECIFIC REMEDIES. If Whitman commits a breach of any of the provisions of Subsection 9(a), Employer shall have (i) the right and remedy to have such provisions specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any such breach will not provide an adequate remedy to Employer, and (ii) the right and remedy to require Whitman to account for and pay over to Employer all compensation, profits, monies, accruals, increments or other benefits (collectively "Benefits") derived or received by Whitman as the result of any transactions constituting a breach of any of the provisions of Subsection 9(a), and Whitman hereby agrees to account for and pay over such Benefits to Employer.

10. RESTRICTION ON COMPETITION.

(a) COVENANT. In recognition of the considerations described in Subsection 9(a), Whitman covenants and agrees that (i) during the term of this Agreement and (ii) in the event the Employer elects to pay Whitman the base compensation specified in subsection 4(a) for a period of one year following termination of this Agreement and the Employer is not in default of its obligations under this Agreement, for a period of one year

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thereafter, he will not knowingly act or conduct himself to the material detriment of the Employer in a manner which he has reason to believe is inimical or contrary to the best interest of the Employer through competition in the Territory materially detrimental to the Employer. Notwithstanding the above, Whitman shall not be restricted in any way from investments in real estate. No breach of the condition of this Subsection 10(a) other than a knowing, deliberate and material breach shall be determined to have occurred unless and until Whitman shall have received written notice from the Employer's Boards of Directors to refrain from engaging in the conduct alleged to constitute such breach, specifying the conduct so alleged and unless Whitman shall thereafter and notwithstanding such notice have continued to engage in such conduct after a reasonable opportunity to refrain from so doing.

(b) REMEDIES. In the event of the violation by Whitman of any of the covenants of Subsections 9(a) or 10(a), such violation shall be deemed to be "cause" for termination pursuant to the terms of Subsection 6(a) hereof, and, in addition, the Employer shall have the right and remedy to have the provisions of Subsection 10(a) specifically enforced, it being acknowledged and agreed that any such violation or threatened violation will cause irreparable injury to the Employer and that money damages will not provide an adequate remedy to the Employer.

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11. INDEPENDENCE, SEVERABILITY AND NON-EXCLUSIVITY.

Each of the rights and remedies enumerated in Subsections 9(b) and 10(b) shall be independent of the other and shall be in addition to and not in lieu of any other rights and remedies available to the Employer under the law or in equity. If any of the covenants contained in Subsections 9(b) or 10(b), or any part of any of them, is hereafter construed to be invalid or unenforceable, the same shall not affect the remainder of the covenant or covenants or rights or remedies which shall be given full effect without regard to the invalid options. The parties intend to and do hereby confer jurisdiction to enforce the covenants contained in Subsections 9(a) and 10(a) upon the courts of any state of the United States and any other governmental jurisdiction within the geographical scope of such covenants. If any of the covenants contained in Subsections 9(a) or 10(a) is held to be unenforceable because of the duration of such provision or the area covered thereby, the parties agree that the court making such determination shall have the power to reduce the duration and/or area of such provision and in its reduced form said provision shall then be enforceable. No such holding of unenforceability in one jurisdiction shall bar or in any way affect the Employer's right to the relief provided above in the courts of any other state or jurisdiction within the geographical scope of such covenants as to breaches of such covenants in such other respective states or jurisdiction, such covenants being, for this purpose, severable into diverse and independent covenants.

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12. SUCCESSORS. TMC and the Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of TMC or the Company, by agreement in form and substance satisfactory to Whitman, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that TMC or the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "EMPLOYER" shall mean TMC and the Company as hereinbefore defined and any successors to their business and/or assets as aforesaid which executes and delivers the agreement provided for in this Section 12 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

This Agreement and all rights of Whitman hereunder shall inure to the benefit of and be enforceable by Whitman's personal or legal representatives, executors, administrators, administrators, successors, heirs, distributees, devisees and legatees. If Whitman should die while any amount would still be payable to him hereunder if he had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to Whitman's estate.

13. PROCEEDING UNDER THE BANKRUPTCY ACT. In the event either TMC or the Company is forced (or voluntarily places itself) into a proceeding under the Bankruptcy Act, Whitman shall be entitled to prove a claim for any unpaid portion of his base salary under Subsection 4(a) through the expiration of the term hereof

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and, if such claim is not discharged in full in such proceeding, such claim shall survive any discharge of TMC or the Company under any such proceeding.

14. NOTICES. All notices, requests, demands and other communications made or given in connection with this Agreement shall be in writing and shall be deemed to have been duly given (a) if delivered, at the time delivered or (b) if mailed, at the time mailed at any general or branch United States Post Office enclosed in a registered or certified post-paid envelope addressed to the address of the respective parties as follows:

TO TMC: 1400 Toastmaster Drive
 Elgin, Illinois 60120
 Attention: President

To the Company: 1400 Toastmaster Drive
 Elgin, Illinois 60120
 Attention: President

To Whitman: Capricorn Estate
 231 Cleft Road
 Mill Neck, New York 11765

or to such other address as the party to whom notice is to be given may have previously furnished to the other party in writing in the manner set forth above, provided that notices of changes of address shall only be effective upon receipt.

15. MODIFICATIONS AND WAIVERS. No provision of this Agreement may be modified or discharged unless such modification or discharge is authorized by the Boards of TMC and the Company and is agreed to in writing and signed by Whitman. No waiver by either party hereto of any breach by the other party hereto of any condition or Provision of this Agreement to be Performed by such

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other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

16. ENTIRE AGREEMENT. This Agreement supersedes all prior agreements between the parties hereto relating to the subject matter hereof, and constitutes the entire agreement of the parties hereto relating to the subject matter hereof. However, nothing in this Agreement is intended or shall be interpreted to reduce the rate or eliminate any portion of Whitman's compensation or benefits in effect under the Original Agreement immediately prior to the date hereof.

17. LAW GOVERNING. Except as otherwise explicitly noted, the validity, interpretation, construction, performance and enforcement of this agreement shall be governed by the laws of the State of Illinois.

18. INVALIDITY. The invalidity or unenforceability of any term or terms of this agreement shall not invalidate, make unenforceable or otherwise affect any other term of this Agreement which shall remain in full force and effect.

19. HEADINGS. The headings contained herein are for reference only and shall not affect the meaning or interpretation of this Agreement.

20. JOINT AND SEVERAL. The liability hereunder of TMC and the Company shall be joint and several.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year set forth above.

THE MIDDLEBY CORPORATION

By /s/ David P. Riley

President

MIDDLEBY MARSHALL INC.

By /s/ David P. Riley

President

/s/ William F. Whitman, Jr.

WILLIAM F. WHITMAN, JR.

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EXHIBIT A

1. The use of a current model automobile comparable in quality and features to that historically provided to Whitman, the costs of acquisition, maintenance, use and insurance of which shall be borne by the Employer.

2. The initiation fees, dues and expenses of Whitman's membership in two country clubs and such luncheon clubs as he may

determine are necessary or appropriate in connection with his employment hereunder.

3. The costs of a term insurance policy on Whitman's life, payable to such beneficiary or beneficiaries as Whitman may designate, in an amount equal to two times Whitman's base salary.

AMENDED AND
RESTATED EMPLOYMENT AGREEMENT

This Amended and Restated Employment Agreement (this "Agreement") made and entered into as of January 1, 1995 by and between The Middleby Corporation, a Delaware corporation ("Parent"), Middleby Marshall Inc., a Delaware corporation ("Subsidiary") (Parent and Subsidiary collectively being referred to as the "Employer"), and David P. Riley of Schaumburg, Illinois ("Riley"), restates in its entirety the Employment Agreement dated as of January 1, 1988, as amended by the Amendment No. 1 to Employment Agreement of David P. Riley dated as of January 1, 1991, Amendment No. 2 to Employment Agreement of David Riley dated June 17, 1993, Amendment No. 3 to Employment Agreement of David Riley dated December 23, 1994, each by and among the parties hereto (as so amended, the "Original Agreement").

R E C I T A L:

The Employer desires to continue the employment of Riley as President of the Parent and President and Chief Executive Officer of the Subsidiary; Riley desires to continue to serve the Employer in such capacities, all of the terms and conditions hereinafter provided.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto hereby amend and restate the Original Agreement in its entirety as follows:

1. EMPLOYMENT OF RILEY. Employer hereby employs Riley, and Riley hereby accepts employment with Employer, upon and subject to the terms and conditions hereinafter set forth.

2. DUTIES OF RILEY.

(a) Riley shall serve in the capacity of President of the Parent and President and Chief Executive Officer of the Subsidiary or in such other executive capacities as the Board of Directors of the Parent and Subsidiary may designate.

(b) Throughout the term of this Agreement Riley shall devote substantially all of his time and effort as reasonably may be required for him to perform the duties and responsibilities to be performed by him under the terms of this Agreement.

3. COMPENSATION.

(a) BASE SALARY. Commencing January 1, 1995, Employer shall pay Riley a base salary per annum of not less than \$300,000, payable in accordance with the normal payroll practices of Employer. If Employer increases Riley's base salary, such increase or increases shall remain in effect for the remainder of the term of this Agreement.

(b) BONUS POOL. Employer shall establish a bonus pool for each fiscal year, to which shall be credited yearly an amount equal to 6% of the operating profits of Employer (calculated prior to tax, interest, corporate office and other allocation charges). Riley shall be entitled to a one-half distribution share of such yearly bonus pool, subject to the terms and conditions of the bonus pool program.

(c) EXPENSE ALLOWANCE. Employer shall reimburse Riley for those reasonable, proper and necessary expenses incurred by him

in connection with the business of Employer for which he submits itemized statements in reasonable detail.

(d) FRINGE BENEFITS. Notwithstanding Riley's participation in any benefit plans hereunder, Riley shall be entitled to the minimum specified benefits, all of which are directly related to Employer's business, listed in Exhibit A hereto, throughout the remaining term of his employment hereunder or as otherwise provided in Section 4(g) hereof.

4. TERM AND TERMINATION.

(a) The term of this Agreement shall commence on January 1, 1995 and terminate on the Expiration Date (as hereinafter defined), (i) unless Riley shall sooner die, whereupon this Agreement shall immediately terminate, or (ii) unless Riley or Employer shall sooner terminate Riley's employment as provided for in this Agreement. The Expiration Date means December 31, 2000 or such earlier date as Employer may set forth in a written notice to Riley given at least two years prior to such earlier date.

(b) If the Board of Directors of Employer in the exercise of good faith judgment determines that Riley has been grossly incompetent, grossly negligent or dishonest in the performance of his duties hereunder, or that Riley has been convicted of a felony, then Employer may terminate Riley's employment by giving Riley written notice of such termination. If such termination results from a determination by the Board of Directors that Riley has been grossly incompetent, then during the period ending on the earlier to occur of (i) the Expiration Date,

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or (ii) six months after the effective date of such termination, Riley shall be entitled to his minimum base salary (exclusive of bonuses, fringe benefits and perquisites), offset by all compensation earned by Riley from any other source during such period. If such termination results from a determination by the Board of Directors that Riley has been grossly negligent or dishonest or has been convicted of a felony, then Riley shall not be entitled to any further payments or benefits under this Agreement following such termination of employment.

(c) If Employer gives notice under Section 4(a) setting forth an early Expiration Date, Riley's employment hereunder shall continue, and this Agreement shall remain in full force and effect, until the early Expiration Date, except that (i) Riley shall be allowed reasonable time off to search for new employment, and (ii) if Riley voluntarily terminates employment with Employer prior to the early Expiration Date, then (A) during the remainder of the term ending on the early Expiration Date (the "Foreshortened Term") Riley shall be entitled to his minimum base salary (exclusive of bonuses, fringe benefits and perquisites), offset by all compensation earned by Riley from any other source during the remainder of the Foreshortened Term, and (B) Employer will continue to provide health insurance for Riley and his family until the earliest to occur of (x) the early Expiration Date, (y) one year after Riley voluntarily terminates employment with Employer, or (z) the date on which Riley obtains similar insurance from any other source. If at any time during the Foreshortened Term Riley

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directly or indirectly performs any act described in Subsection 7(b)(i), (ii), (iii) or (iv), then from and after such time Riley will have no further right to any payments or benefits under this Subsection 4(c).

(d) If Employer relocates its executive offices outside of the Chicago metropolitan area, and Riley refuses to move from the Chicago metropolitan area, Riley's employment shall terminate upon the effective date of a notice from Riley given not later than 30 days after relocation of Employer's executive offices. During the period ending on the earlier to occur of (i) the Expiration Date, or (ii) two years after the date of such relocation Riley shall be entitled to his minimum base salary (exclusive of bonuses, fringe benefits and perquisites), offset by all compensation earned by Riley from any other source during such period, and Employer will continue to provide health insurance for Riley and his family until the earlier to occur of (A) the end of such period, or (B) the date on which Riley obtains similar insurance from any other source.

(e) If Riley voluntarily terminates his employment with Employer prior to the Expiration Date and such termination is not under the circumstances described in Subsection 4(c), 4(d) or 4(g) of this Agreement, then Riley shall not be entitled to any further payments or benefits under this Agreement following such termination of employment.

(f) In the event of Riley's Disability, Employer may terminate Riley's employment by giving written notice to Riley.

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"RILEY'S DISABILITY" means Riley's failure to substantially discharge Riley's duties under this Agreement for 90 days during any twelve (12) month period as a result of illness, injury, substance abuse or any other physical or mental incapacity. An affirmative determination of Riley's Disability shall be made by a licensed physician (chosen by the Company and approved by Riley, which approval shall not be unreasonably withheld), which determination shall be binding upon the parties. In such event Riley shall be entitled to the following benefits during the period beginning with the date of such termination and ending upon the earlier to occur of (i) the second anniversary of such termination, or (ii) the Expiration Date: (A) 50% (100% during the first 90 days of such period) of his minimum base salary (exclusive of bonuses, fringe benefits and perquisites) offset by any benefits received by Riley during such period from disability insurance paid for by Employer, and (B) health insurance for Riley and his family until the end of such period or such earlier date as Riley obtains similar insurance from any other source.

(g) In the event that the proportionate share of the total outstanding voting securities of Parent held by any person (other than Riley or William F. Whitman, Jr.), or held by any group of two or more persons who agree to act together for the purpose of acquiring, holding, voting or disposing of the voting securities of Parent and neither Riley nor William F. Whitman, Jr. is a member of such group, shall increase after the date hereof by twenty-five (25) percentage points or more, then at any time during the two (2)

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year period immediately following such increase, Riley shall have the right, upon written notice to Employer, to terminate his employment and, in connection with such termination, shall be entitled to receive from Employer (a) any and all accrued but unpaid base salary through the date of termination, (b) any and all benefits under the bonus pool program referred to in Subsection 3(b) hereof accrued but unpaid to the date of termination, (c) the benefits described in Section 6 hereof, (d) for a period of one year beginning on the date of termination, all health and medical benefits which Employer was providing to Riley immediately prior to such termination, and (e) as severance pay, an amount equal to two (2) years of base salary as in effect immediately prior to such termination, such amount

to be payable in equal monthly installments during the two (2) year period beginning on the date of termination. Upon such termination, the provisions of Section 7 hereof shall continue in full force and effect. This Subsection 4(g) shall apply upon the occurrence of the events described herein notwithstanding Subsection 4(e) hereof. Upon termination pursuant to this Subsection 4(g), Riley's right to receive all other compensation or benefits shall immediately terminate except as provided in this Subsection 4(g) or in Section 6.

Example: On January 1, 1995, Individual A, a person other than Riley, owns 2.42% of the total outstanding voting securities of Parent. Thereafter, Individual A commences a series of open market purchases, and on March 3, 1996 for the first time his holdings exceed 27.42% of the total outstanding voting securities of Parent.

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Riley may terminate his employment with Employer at any time from March 3, 1996 through March 3, 1998, and upon such termination shall be entitled to the amounts set forth in this Subsection 4(g).

5. CONDUCT OF RILEY. Riley understands and agrees that the business ethics of Employer and personal standards of its employees must, at all times, be above reproach, and Riley agrees to conduct himself in a manner to reflect credit upon Employer.

6. RETIREMENT.

(a) MONTHLY BENEFITS. Employer will after Riley's termination of employment with Employer for any reason or for no reason, pay to Riley or his designee retirement benefits (calculated as provided below) in equal monthly installments commencing on the first day of the month following the later to occur of (i) the date of such termination of employment, or (ii) Riley's 55th birthday (whether or not he is then living). Each monthly installment of retirement benefits shall be in an amount equal to one-twelfth (1/12) of the percentage of Riley's Total Compensation in effect during the last year of his employment with Employer indicated opposite the latest date set forth below preceding the date of termination of his employment:

Date	Percentage of Total Compensation
January 1, 1995	10%
January 1, 1996	15%
January 1, 1997	20%
January 1, 1998	25%
January 1, 1999	35%
January 1, 2000	40%
January 1, 2001	45%
January 1, 2002	50%

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Retirement benefits paid pursuant to this Subsection 6(a) shall be paid to Riley for his life, provided, however, that in the event of his death prior to age seventy-five (75), such retirement benefits, reduced by 50%, shall be paid (or shall continue, as the case may be) to Riley's spouse until the first to occur of (i) the death of Riley's spouse, or (ii) the first day of the month in which Riley would have attained age seventy-five (75). In addition, on each anniversary of the date of the first payment of retirement benefits pursuant to this Subsection 6(a), Employer shall increase the amount of such retirement benefits payable on and after such anniversary date by a

percentage equal to the percentage increase in the Consumer Price Index For All Urban Consumers for the twelve (12) month period then ended. In the case of termination of employment under Subsection 4(f), the Total Compensation amount used for the above-mentioned formula shall not be affected by the 50% reduction referred to in Subsection 4(f).

For purposes hereof, "TOTAL COMPENSATION" for any year of employment with Employer shall mean the sum of (i) Riley's base salary from Employer or any Affiliate in effect during such year, plus (ii) the annualized amount of director's fees payable by Employer or any Affiliate to Riley during such year for services rendered by him. For purposes hereof, "AFFILIATE" shall mean (x) Asbury Associates, Inc. and (y) any other direct or indirect majority- or wholly-owned subsidiary of Employer.

(b) HEALTH AND MEDICAL BENEFITS. In addition to the benefits referred to in Subsection 6(a) hereof, if Riley remains in

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the employ of Employer until the first to occur of (i) Riley's 55th birthday, or (ii) Riley's death, Employer, after termination of Riley's employment with Employer for any reason or for no reason, shall maintain in full force and effect for the continued benefit of Riley and his spouse all health and medical plans and programs which Employer maintains for its senior executives and their families, provided that such participation is permitted under the general provisions of such plans and programs, and provided further that the benefits under such plans and programs shall be secondary to any governmentally provided benefits. In the event that Riley's or his spouse's participation in any such plan or program is barred or otherwise not permitted, Employer shall provide health and medical benefits to Riley and his spouse substantially similar to those from which he or she was barred or in which he or she was otherwise not permitted to participate. Employer shall provide such benefits to Riley and his spouse for their respective lives. Employer may self-insure such benefits or may purchase individual policies or plans to provide such benefits. Such benefits shall be in lieu of and not in addition to benefits, if any, to which Riley would otherwise be entitled under Subsection 4(f) hereof. If, while eligible for benefits under this Subsection 6(b), Riley becomes employed by any person and becomes eligible for health and medical benefits under such employer's health plan, Employer shall be relieved, during the period of such employment, and to the extent of the benefits for which Riley and his spouse are eligible

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under such employer's plan, of the obligation to provide the health and medical benefits described in this Subsection 6(b).

7. COVENANTS OF RILEY.

(a) CONFIDENTIALITY. During and after the term of this Agreement or any extension thereof, Riley shall not make any use, for his own benefit or for the benefit of any person or entity other than Employer, of any customer information, price information, supplier information, trade secrets or any other information or data of or pertaining to Employer, its business or financial affairs made available to him in the course of his employment with Employer and not generally known in the industry. Upon termination of the term of this Agreement or any extension thereof, for any reason (including expiration of the term, resignation, disability, or discharge with or without cause), Riley shall promptly surrender to Employer any and all such information, trade secrets, data and all other files, records and other material of or pertaining to Employer, its business and financial affairs.

(b) RESTRICTIONS FOLLOWING CESSATION OF EMPLOYMENT.

If (1) Riley voluntarily terminates his employment prior to the Expiration Date and such termination is not under the circumstances described in Subsection 4(c) or 4(d) above, or (2) Employer terminates Riley's employment pursuant to Subsection 4(b), then, in either of such events, for a period of twenty-four (24) months commencing on the date of such termination of employment, Riley will not, directly or indirectly, do any of the following:

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(i) engage in or in any manner be associated, whether as an officer, director, stockholder, partner, owner, employee or consultant, with the operation, management, conduct or ownership of any business which competes with any business conducted by Employer at the time Riley ceases to be employed by Employer, except that Riley shall not be prohibited from owning not in excess of 2% of the voting power of such competing business;

(ii) solicit or accept orders for, or be employed by or associated in business with any person who solicits or accepts orders for, commercial food preparation equipment from

(A) any person who was a customer of Employer at the time Riley ceased to be employed by Employer, or

(B) any person with whom Employer was negotiating a customer relationship at the time Riley ceased to be employed by Employer and who becomes a customer of Employer within three (3) months after the date Riley ceased to be employed by Employer;

(iii) employ or otherwise associate in business with any person who is or was an employee or officer of Employer until one (1) year after the cessation of the employment of such person with or by Employer; or

(iv) induce any person who is an employee, officer, agent or consultant of Employer to terminate said relationship.

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(c) ACKNOWLEDGMENT. Riley acknowledges that (i) he has carefully considered the nature and scope of the foregoing restrictions; (ii) such restrictions protect only the legitimate proprietary interests of Employer; and (iii) enforcement of such restrictions will not preclude Riley from finding employment suited to his training and experience.

(d) INJUNCTIVE RELIEF. Riley agrees that his breach of any of the provisions of this Section 7 may cause Employer irreparable damage, and that in the event of such breach Employer is entitled to injunctive relief in addition to damages and any other relief that may be appropriate.

(e) INDEPENDENT COVENANTS. The covenants of Riley contained in this Section 7 shall each be construed as an agreement independent of any other provision in this Agreement, and the existence of any claim or cause of action of Riley against Employer, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by Employer of such covenants.

8. AMENDMENT. This Agreement may be modified or amended only by a written instrument executed by Employer and Riley.

9. LAW GOVERNING. This Agreement shall be governed by and construed under the laws of the State of Illinois, regardless of the residence of Riley or the location of any legal action brought to enforce this Agreement. Riley and Employer recognize and agree that this Agreement will be performed partly or wholly

in the State of Illinois and therefore recognize and agree that any

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action arising out of any breach of this Agreement may be maintained in the courts of the State of Illinois.

10. MISCELLANEOUS.

(a) This Agreement shall be binding upon, and inure to the benefit of and be enforceable by, Employer and its successors and assigns. This Agreement shall inure to the benefit of Riley's heirs, legatees, legal representatives and any beneficiary of his designated pursuant to the provisions hereof, but neither this Agreement nor any right or interest hereunder shall be assignable by Riley without Employer's prior written consent.

(b) Payments by Employer to Riley pursuant to the provisions of this Agreement shall be in addition to, and not in lieu of, any bonuses that he may receive in accordance with the compensation policies and practices of Employer and any benefits to which he may be entitled under any employee benefit plan of Employer. However, this Agreement shall in no event guarantee the payment to Riley of any bonuses, benefits under employee benefit plans maintained by Employer, or any other amounts other than the payments specifically set forth herein.

(c) Riley agrees that the terms and provisions of this Agreement are confidential and that he will not disclose any part thereof to any other person (other than his spouse and beneficiaries and his attorneys, accountants and advisors) without the written consent of Employer.

(d) It is not the intention of either party to violate any public policy or statutory or common law, and if any covenant

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or condition of this Agreement is held to violate applicable law or is otherwise held to be unenforceable by a court of competent jurisdiction, the parties agree and it is their desire that such court shall substitute in its place a judicially enforceable covenant or condition as similar as possible to the original, and that as so modified the covenant or condition shall be binding upon the parties as if originally set forth herein.

(e) No term or condition of this Agreement shall be deemed to have been waived nor shall there be any estoppel to enforce any provision of this Agreement except by written instrument of the party charged with such waiver or estoppel.

(f) This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original.

(g) All notices required or permitted to be given hereunder shall be in writing and shall be deemed to have been delivered when delivered personally or deposited in the United States mail, certified mail, postage prepaid, addressed as follows:

If to Employer:

The Middleby Corporation
1400 Toastmaster Drive
Elgin, Illinois 60120
Attention: William F. Whitman, Jr.,
Chairman of the Board

If to Riley:

David P. Riley
518 East Kenilworth Lane
Schaumburg, Illinois 60193

or to such other address as either party may designate for itself
by notice as above provided.

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8. ENTIRE AGREEMENT. This Agreement supersedes all prior agreements between the parties hereto relating to the subject matter hereof, and constitutes the entire agreement of the parties hereto relating to the subject matter hereof. However, nothing in this Agreement is intended or shall be interpreted to reduce the rate or eliminate any portion of Riley's compensation or benefits in effect under the Original Agreement immediately prior to the date hereof.

9. JOINT AND SEVERAL. The liability hereunder of the Parent and the Subsidiary shall be joint and several.

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

THE MIDDLEBY CORPORATION

and

MIDDLEBY MARSHALL INC.

By: /s/ William F. Whitman, Jr.

William F. Whitman, Jr.
Chairman

/s/ David P. Riley

DAVID P. RILEY

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EXHIBIT A

1. The use of a current model automobile comparable in quality and features historically provided to Riley, the costs of acquisition, maintenance, use and insurance of which shall be borne by Employer.

2. The initiation fees, dues and expenses of Riley's membership in two country clubs and such luncheon clubs as he may determine are necessary or appropriate in connection with his employment hereunder.

3. The costs of a term insurance policy on Riley's life, payable to such beneficiary or beneficiaries as Riley may designate, in an amount equal to two times Riley's base salary.

THE MIDDLEBY CORPORATION
RETIREMENT PLAN FOR
INDEPENDENT DIRECTORS

THIS PLAN is adopted as of January 1, 1995 (the "Effective Date") by The Middleby Corporation, a Delaware corporation (the "Company"), for the benefit of its qualifying "Independent Directors."

WHEREAS, in consideration of the good and valuable services to be rendered to the Company by Independent Directors and in order to offer the Independent Directors a package of remuneration that is competitive with that which they could expect to secure as directors elsewhere in the Company's industry, the Company desires to offer Independent Directors this Retirement Plan; and

WHEREAS, the Company intends that this Plan will be structured so that Independent Directors will not be subject to income tax liability with respect to their rights to retirement benefits until payments are actually received;

NOW THEREFORE, the Company promises as follows:

1. ELIGIBLE DIRECTORS. Every director of the Company will become a "Participant" in this Plan on the first date on which he or she concurrently: (i) holds the office of a director; and (ii) is not an employee of the Company or any of the Company's subsidiaries, or the Company's parent or any subsidiaries of the Company's parent ("Affiliates"). A director will be referred to as an "Independent Director" herein when he or she meets both of the preceding requirements concurrently. If an Independent Director loses his or her status as such by virtue of becoming an employee of the Company or an Affiliate, he or she will lose the status of a Participant hereunder until such time as he or she again becomes an Independent Director.

2. ELIGIBILITY FOR BENEFITS. Each Participant will become entitled to benefits under this Plan when he or she retires from the Board at the annual meeting following the date he or she attains age 70; provided, however, that if a director had attained age 70 prior to the Effective Date, he or she will be entitled to benefits hereunder upon his or her retirement from the Board. Only those who are Independent Directors at the time of such retirement will be eligible for benefits hereunder.

3. BENEFITS PAYABLE. Each Participant who becomes entitled to benefits hereunder will be paid, each calendar quarter, 25% of his or her last annual retainer received prior to retirement. "Last annual retainer" will mean the annual rate of the retainer payable in the year of the Participant's retirement from the Board and not the retainer payments actually made to the Participant in the twelve months immediately preceding retirement unless, coincidentally, the Participant's retirement coincides with the end of a year over which retainer rates are set. Fees received for acting as a committee chairperson will not be included as part of the Participant's "Last annual retainer." Payments hereunder will be made on the first day of each calendar quarter beginning with the calendar quarter that begins with or next follows the date of the Participant's retirement from the Board. Payments will be made over a period equal in length to the number of full "Years of Service" rendered by the Participant to the Company as an Independent Director.

4. YEARS OF SERVICE. For the purposes of paragraph 3 and as a limitation on the period over which payments hereunder will be made, no more than ten Years of Service as an Independent Director will be taken into account. For the purpose of calculating benefits, Years of Service will be measured in 365-

day periods beginning with the date on which the Participant first becomes an Independent Director and ending on the date he or she retires from the Board. Only the last period of uninterrupted service as an Independent Director will be considered for determining a Participant's Years of Service and service as an Independent Director that preceded a period of service as an employee/director will be ignored. Periods of service as an Independent Director that were performed prior to the Effective Date will be considered Years of Service hereunder, subject to the other rules contained herein.

5. SURVIVOR'S RIGHTS. There will be no survivor's rights under this Plan and if a Participant should die before all payments owed under paragraph 3 are made, the Company will have no further obligation to make any additional payments hereunder with respect to that Participant.

6. FORFEITURES. If a Participant ceases to be a director of the Company prior to attaining age 70 and for any reason including, but not limited to death, disability, contraction of the size of the Board, liquidation of the Company without a successor in interest, resignation or failure to be reelected, nothing will be owed to him or her under this Plan. If a Participant attains pay status and the Company subsequently determines that he or she breached a fiduciary duty to the Company or its Affiliates while acting as a director, or committed fraud or an act of gross misconduct against the Company or any of its affiliates while an employee of the same, nothing will thereafter be owed to such Participant or his/her beneficiary hereunder.

7. NO FUNDING, NO ALIENATION. The Company will not be obligated to make any investment or to set aside any funds to discharge its obligation hereunder. If the Company does decide to make investments or set aside funds to facilitate its obligation

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to pay benefits, the Participants and their beneficiaries will not have a special or preferred interest in such investment assets. Those assets will not be registered in the Participants' names and will always remain the property of the Company, even after Participants becomes entitled to payments of benefits. The Participants' rights and the rights of their beneficiaries under this Plan will be no greater than those of any other general unsecured creditor of the Company. The Participants and their beneficiaries may not assign, pledge, encumber or in any other way attempt to anticipate their rights under this Plan, and any attempt to do so will not bind the Company and will not be honored by the Company.

8. CHANGE IN CORPORATE FORM. Subject to the provisions of paragraph 9, this Plan shall be binding upon the Company and upon its successor in interest after any merger, acquisition of the Company, entry into receivership or other reorganization; provided, however, that in anticipation of a merger of the Company with, or an acquisition of the Company by an entity that is not controlled by the individuals who or entity(ies) that control the Company prior to such merger or acquisition, the Company may, in its discretion, discharge its obligation to make payments hereunder through an immediate lump sum payment.

9. WITHHOLDING AND PAYROLL TAXES. The gross amounts that are described above as amounts owed by the Company will be reduced by any required income, payroll or other tax withholding, the ultimate incident to which is imposed by law upon the payee.

10. AMENDMENT AND TERMINATION. The provisions of this Plan may be amended and the Plan may be terminated by the Company, but only in a writing and only with respect to future accruals of benefits, such that the effect of an amendment will be to terminate future crediting of additional Years of Service and a Participant's entitlement to benefits will be determined by his

or her status as an Independent Director upon attaining age 70 and retiring.

11. MISCELLANEOUS.

(a) Nothing in this Plan will give the Participant a separate right to continued status as a director of the Company.

(b) Nothing in this Agreement will be deemed as the Company's guarantee or promise to any Participant of any particular tax treatment for the credits or payments referred to herein.

(c) This Agreement will be construed and governed under the laws of the State of Illinois.

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(d) Any notice, election or communication referred to herein will be in writing and will be hand delivered or mailed to the last known address of the recipient.

(e) This Plan will not affect or impair the rights and obligations of the parties under any other contract or arrangement entered into between them: provided, however, that amounts credited to Participants hereunder will not be considered part of their compensation for the purposes of the Company's pension, profit-sharing, 401(k), life insurance, long term disability, vacation, bonus or other relevant program under which benefits are calculated in reference to compensation.

THE MIDDLEBY CORPORATION

By: /s/ David P. Riley

David P. Riley
Its President and
Chief Executive Officer

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CONFIDENTIAL

THE MIDDLEBY CORPORATION
MANAGEMENT INCENTIVE PLAN
CORPORATE STAFF
1995

ELIGIBILITY

To be eligible, an employee must be employed by the Company on the last day of the fiscal year and have been in such incentive position a minimum of six (6) months. If the employee works in such position for the minimum of six (6) months, but less than twelve (12) months, the incentive compensation will be prorated (i.e., seven months = 7/12). Incentive compensation is computed on the employee's base salary as of the beginning of the year (January 1, 1995).

INCENTIVE PAYMENTS

Incentive compensation will be paid upon completion of the audited fiscal year results of the Company, usually on or about March 1. Incentive compensation awards under the 1995 Management Incentive Plan for certain positions are subject to the conditions of The Middleby Corporation Stock Ownership Plan.

INCENTIVE CATEGORY

The incentive compensation will be based on the achievement of the following category versus defined objective levels:

EARNINGS BEFORE INTEREST AND TAXES (EBIT) - Defined as Operating Profit less other income or expense. EBIT includes the expense of the corporate and operating division incentive compensation pools and excludes the expenses of The Middleby Corporation entity. It is the intent of the Company that incentive compensation is to be self-funded at the operating division level.

INCENTIVE COMPUTATION

The incentive compensation award will be computed based on the achieved level of the objective (i.e. EBIT) and the designated percentage of the participant's base salary. If the achieved level is between the plateaus, an extrapolation of the percentage of salary will be computed.

The percentage of base salary (as of January 1, 1995) for incentive compensation if 100% of the 1995 MIP objective is achieved and the maximum percentage for your position are detailed on Attachment I.

INCENTIVE OBJECTIVES

Attachment II provides the MIP objective for the current fiscal year. The objectives are correlated with the Operating Plan. A percentage of incentive achievement for each objective is set for each level of the above categories. These percentages do not necessarily increment or decrement in an arithmetical progression.

ATTACHMENT I

THE MIDDLEBY CORPORATION
1995 MANAGEMENT INCENTIVE PLAN

LEVEL: CORPORATE EXECUTIVE VICE PRESIDENT

PERCENT OF BASE SALARY (AS OF 1/1/95) IF 100% ACHIEVEMENT- 50%

MAXIMUM PAYOUT AS PERCENT OF BASE SALARY - 100%

INCENTIVE CATEGORY WEIGHTING-

EBIT- 100%

AWARD IS SUBJECT TO THE CONDITIONS OF THE MIDDLEBY CORPORATION STOCK OWNERSHIP PLAN

 LEVEL: CORPORATE VICE PRESIDENT

PERCENT OF BASE SALARY (AS OF 1/1/95) IF 100% ACHIEVEMENT- 30%

MAXIMUM PAYOUT AS PERCENT OF BASE SALARY- 60%

INCENTIVE CATEGORY WEIGHTING-

EBIT- 100%

AWARD IS SUBJECT TO THE CONDITIONS OF THE MIDDLEBY CORPORATION STOCK OWNERSHIP PLAN

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ATTACHMENT II

1995 MIP OBJECTIVES
 EBIT OBJECTIVE (\$000'S)

	EBIT \$ -----	EVP'S -----	VP'S -----
1994 ACTUAL	\$ 7,993		
1995 MIP 100% OBJECTIVE	\$10,000		
% OF SALARY IF AT 100% MIP OBJECTIVE		50%	30%
MAXIMUM BONUS % OF SALARY		100%	60%
OBJECTIVE LEVELS/% OF BASE SALARY			
	\$ 6,750	5%	3%
	7,250	10%	6%
	7,750	20%	12%
	8,500	30%	18%
	9,250	40%	24%
	10,000	50%	30%
	10,400	60%	36%
	10,800	70%	42%
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	11,600	90%	54%
	12,000	100%	60%

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