

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended DECEMBER 31, 1994

Commission file number: 1-5256

V. F. CORPORATION

(Exact name of registrant as specified in its charter)

PENNSYLVANIA 23-1180120
(State or other jurisdiction of (I.R.S. employer
incorporation or organization) identification no.)

1047 NORTH PARK ROAD
WYOMISSING, PA 19610
(Address of principal executive offices)

(610) 378-1151
(Registrant's telephone number, including area code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

<TABLE>
<CAPTION>

Title of each class -----	Name of each exchange on which registered -----
<S> Common Stock, without par value, stated capital \$1 per share Preferred Stock Purchase Rights </TABLE>	<C> New York Stock Exchange and Pacific Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: NONE

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months and (2) has been subject to such filing
requirements for the past 90 days. YES X NO

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

As of March 1, 1995, 64,098,102 shares of Common Stock of the registrant were
outstanding, and the aggregate market value of the common shares (based on the
closing price of these shares on the New York Stock Exchange) of the registrant
held by nonaffiliates was approximately \$2.7 billion. In addition, 2,014,427
shares of Series B ESOP Convertible Preferred Stock of the registrant were
outstanding and convertible into 1,611,542 shares of Common Stock of the
registrant, subject to adjustment. The trustee of the registrant's Employee
Stock Ownership Plan is the sole holder of such shares, and no trading market
exists for the Series B ESOP Convertible Preferred Stock.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Annual Report for the fiscal year ended December 31, 1994
(Items 1 and 3 in Part I and Items 5, 6, 7 and 8 in Part II).

Portions of the Proxy Statement dated March 17, 1995 for the Annual Meeting of
Shareholders to be held on April 18, 1995 (Item 4A in Part I and Items 10, 11,
12 and 13 in Part III).

PART I

ITEM 1. BUSINESS

VF Corporation, through its operating subsidiaries, designs, manufactures and markets branded apparel products primarily in four product categories: jeanswear, knitwear, intimate apparel and children's playwear. VF Corporation, organized in 1899, oversees the operations of its subsidiaries, providing them with financial and administrative resources. Management of each operating company is responsible for the growth and development of its business, within guidelines established by Corporate management. Unless the context indicates otherwise, the term "Company" used herein means VF Corporation and its subsidiaries.

1994 ACQUISITIONS

In January 1994, the Company acquired in separate transactions H.H. Cutler Company ("Cutler") and Nutmeg Industries, Inc. ("Nutmeg") for an aggregate consideration of \$506.9 million. Both companies design, manufacture and market imprinted sports apparel under licenses granted by the four major American professional sports leagues - Major League Baseball, the National Basketball Association, the National Football League and the National Hockey League. In addition, Cutler manufactures and markets children's playwear and sleepwear and is one of the largest youthwear apparel licensees of Walt Disney products. Nutmeg's products are sold primarily in department and specialty stores, and Cutler's products are sold primarily through mass merchants.

BUSINESS GROUPS

In early 1994, the Company reorganized into five new strategic business groups - Jeanswear, Decorated Knitwear, Intimate Apparel, Playwear and Specialty Apparel - where the Company has the size, brands and opportunities to grow on a global basis. While the integrity of each of the operating divisions is maintained, their management, as a member of one of the five business groups, is charged with the additional responsibility of maximizing the skills and resources available within their business group to identify opportunities for global growth and profit improvement, develop synergies and participate in common projects. Information regarding the operations, sales and profitability of these business groups is included in pages 16, 17 and 19 of the Company's Annual Report to Shareholders for the fiscal year ended December 31, 1994 ("1994 Annual Report"), which information is incorporated herein by reference.

JEANSWEAR

The Jeanswear business group is comprised of the Lee and the Wrangler divisions in the United States and Europe and the Girbaud division. Lee manufactures jeanswear and other casualwear sold principally under its LEE(R) trademark. During 1993, Lee introduced the RIDERS brand of jeans and casualwear. Wrangler manufactures jeanswear primarily under its WRANGLER(R) and RUSTLER(R) trademarks. Wrangler also offers a line of shirts to complement its jeanswear products. Lee and Wrangler offer a line of cotton casual pants and shirts under the LEE CASUALS(R) and TIMBER CREEK BY WRANGLER(R) brands. The Girbaud division licenses the MARITHE & FRANCOIS GIRBAUD(R) label in the United States to market branded fashion jeans and casual apparel.

According to industry data, approximately 443 million pairs of jeans made of denim, twill, corduroy and other fabrics were sold in the United States in 1994. This same data indicates that the Company currently has the largest combined share of this market at approximately a 30% share, with RUSTLER, WRANGLER and LEE having the second, third and fourth largest unit shares of the jeans market in the United States, respectively.

The Lee and the Wrangler divisions in the United States own and operate numerous cutting, sewing and laundry facilities. Seventy-one percent of finished garments are produced in Lee and Wrangler domestic plants and 15% in their sewing facilities in Mexico and other Caribbean countries; the balance is manufactured by independent contractors. Sixty-two percent of the Lee and Wrangler products in Europe are produced in owned plants in the United Kingdom, Belgium, Malta and Poland, with the balance (mostly tops) sourced from independent contractors. During 1994, the Company acquired a majority interest in a joint venture in China to manufacture and market LEE brand jeans. This is the first American jeans brand to make a major move into the Chinese market. Lee also participates in a joint venture in Spain and Portugal. Both Lee and Wrangler have licensed their brand names for jeanswear and related products in foreign markets where they do not have production or sales operations.

In 1993, the Lee division repositioned its LEE brand products by marketing solely through department and specialty stores. The Lee division's RIDERS brand is now sold through the mass merchant and discount store channels. The Wrangler division markets its WRANGLER westernwear through western specialty stores and its other WRANGLER brand products primarily through discount stores. The RUSTLER brand is a high quality, lower priced brand marketed to large national discount chains. MARITHE & FRANCOIS GIRBAUD products are sold to upscale department and specialty stores. Sales for all divisions are generally made directly to retailers through full-time salespersons.

In international markets, LEE and WRANGLER jeanswear and related products are marketed to department stores and specialty shops. Sales of MAVERICK(R) branded jeanswear in Europe have been growing in the discount channel of distribution. Internationally, jeanswear products are sold through the Lee and the Wrangler sales forces and independent sales agents.

DECORATED KNITWEAR

The largest single component of the Decorated Knitwear business group is Bassett-Walker, one of the nation's largest manufacturers of knitted fleecewear. Operations are vertically integrated and include the entire process of converting cotton yarn into finished T-shirt and fleece garments. Products are marketed by an in-house staff of salespersons throughout the United States to national chain and department stores, discount stores, wholesalers and garment screen printing operators. In 1994, approximately one-half of Bassett-Walker's volume was knitted fleecewear and T-shirts marketed under the LEE and RIDERS labels. Bassett-Walker also manufactures products for private label customers and supplies a significant portion of the fleece and T-shirt needs of Nutmeg and JanSport.

In January 1994, the Company substantially increased its position in imprinted apparel with the acquisitions of Cutler and Nutmeg. Cutler's sports apparel division manufactures and markets children's licensed sportswear imprinted with the names and logos of professional sports teams.

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Cutler's products are distributed through mass merchandisers and discount stores. Nutmeg's adult licensed apparel, imprinted with professional and college sports logos, is distributed through department, sporting goods and athletic specialty stores. Nutmeg also manufactures and markets apparel imprinted with professional soccer and other sports logos in Europe. The Major League Baseball and the National Hockey League strikes and significant pricing pressures throughout the industry adversely impacted this business group. Beginning in 1995, many of the products formerly bearing the NUTMEG(R) label will be marketed under the new LEE SPORT(TM) label. In addition, the JanSport college division imprints and markets JANSPORT(R) branded fleeced casualwear and T-shirts with college logos for distribution through college bookstores.

INTIMATE APPAREL

The Intimate Apparel business group consists primarily of Vanity Fair Mills in the United States and several intimate apparel divisions in Europe. The Vanity Fair division manufactures and markets bras, panties, daywear, shapewear, robes and sleepwear products under the VANITY FAIR(R) label for domestic department and specialty stores. In addition, Vanity Fair manufactures and markets bras and panties under the VASSARETTE(R) brand, which are sold through the discount channel. Vanity Fair also maintains a significant private label business. Vanity Fair sells most of its products through its own sales force. The VANITY FAIR brand name for intimate apparel is licensed to third parties in several foreign countries.

Over the past three years, the Company has taken decisive steps to establish a presence in women's intimate apparel in Europe by acquiring several intimate apparel companies and brands in France and Spain. During 1994, these businesses were organized into a single management structure. With manufacturing plants in France, Spain and Tunisia, intimate apparel is marketed in department and specialty stores under the LOU(R), BOLERO(R) and SILHOUETTE(TM) brand names primarily in France and under the GEMMA(R), INTIMA CHERRY(R) and BELCOR(R) brand names primarily in Spain. Intimate apparel is marketed in discount stores in France under the VARIANCE(R), CARINA(TM) and SILTEX(TM) brand names. In late 1994, the Company began rolling out the VANITY FAIR brand across the European continent.

PLAYWEAR

The Playwear business group consists of Healthtex, the playwear and sleepwear divisions of Cutler and the preschool sizes of the Lee and the Wrangler divisions. Products marketed under the HEALTHTEX(R) label are sold primarily to department and specialty stores. Cutler products, generally imprinted with characters licensed from The Walt Disney Company or others, are marketed primarily to mass merchandise and discount stores. LEE and WRANGLER children's sizes are marketed in distribution channels consistent with their respective adult sizes. During 1995, the licensed FISHER-PRICE(R) brand will be expanded

as a joint effort of the Healthtex and Cutler divisions, and Cutler will introduce a line of licensed NIKE(R) brand childrenswear. Substantially all products are manufactured in the divisions' plants.

SPECIALTY APPAREL

Red Kap is a leading producer of occupational and career apparel sold primarily under the RED KAP(R) label. Approximately 75% of Red Kap's sales are to industrial laundries that in turn supply work

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clothes to employers, primarily on a rental basis, for on-the-job wear by production, service and white-collar personnel. Products include work pants, slacks, work and dress shirts, overalls, jackets and smocks. Because industrial laundries maintain minimal inventories of work clothes, a supplier's ability to offer rapid delivery is an important factor in this market. Red Kap's commitment to customer service has enabled customer orders to be filled within 24 hours of receipt and has helped to provide Red Kap with a significant share of the industrial laundry rental business. In addition, Red Kap markets a line of work clothes nationally to retail stores under the BIG BEN(R) brand name.

Jantzen designs, manufactures and markets an extensive line of women's quality swimwear and sportswear, including coordinated tops and bottoms, primarily under the JANTZEN(R) trademark. A significant portion of Jantzen's products are manufactured by independent contractors. Jantzen products are sold primarily to department and specialty stores through its sales staff. Jantzen also manufactures and markets its products in Canada, and the JANTZEN trademark is licensed to other companies in several foreign countries. The Jantzen men's sweater and sportswear businesses were terminated in late 1994.

The JanSport equipment division manufactures JANSPORT brand daypacks sold through college bookstores and department and sporting goods stores and JANSPORT backpacking and mountaineering gear sold primarily through outdoor and sporting goods stores. JANSPORT daypacks and bookbags have the leading brand share in the United States.

RAW MATERIALS

The Company's raw materials include fabrics made from cotton, synthetics and blends of cotton and synthetic yarn. Fabric for its United States operations is purchased from several domestic suppliers against scheduled production, and fabric for its international operations is purchased from several international suppliers. The fabric is cut and sewn into finished garments.

The Company's Bassett-Walker division purchases substantially all of its cotton yarn and cotton and synthetic blend yarn from a major textile company under a long-term supply agreement. Additional yarn is available from numerous other sources. The Vanity Fair division purchases yarn from several suppliers. These two divisions knit the yarn into fabric, which is then cut and sewn into finished garments.

The Company also purchases thread and trim (buttons, zippers, snaps and lace) from numerous suppliers. The Company has not experienced difficulty in obtaining fabric and other raw materials to meet production needs during 1994 and does not anticipate difficulties in 1995. The loss of any one supplier would not have a significant adverse effect on the Company's business.

SEASONALITY

The apparel industry in the United States has four primary retail selling seasons -- Spring, Summer, Back-to-School and Holiday, while international markets typically have Spring and Fall selling seasons. As an apparel manufacturer, sales to retailers generally precede the retail selling seasons, although the demand peaks from our retail customers have been reduced in recent years as more products are being sold on a replenishment basis.

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Overall, with its diversified product offerings, the Company's operating results are not highly seasonal. On a quarterly basis, consolidated net sales range from a low of approximately 22% in the first quarter to a high of 28% in the third quarter. Sales of the Decorated Knitwear business group, however, are more seasonal in nature, with approximately 60% of its sales of T-shirt and fleece products in the second half of the year.

Working capital requirements vary throughout the year. Working capital

increases during the first half of the year as inventory builds to support peak shipping periods, and accordingly decreases during the second half. Cash provided by operations is substantially higher in the second half of the year due to higher net income and reduced working capital requirements during that period.

ADVERTISING

The Company supports its brands through extensive advertising and promotional programs and through sponsorship of special events. The Company advertises on national and local radio and television and in consumer and trade publications. It also participates in cooperative advertising on a shared cost basis with major retailers in radio, television and various print media. In addition, point-of-sale fixtures and signage are used to promote products at the retail level. During 1994, the Company spent \$219 million advertising and promoting its products.

OTHER MATTERS

COMPETITIVE FACTORS

Trademarks are of material importance to all of the Company's operating subsidiaries. Company-owned brands are protected by registration or otherwise in the United States and most other markets where the related products are sold. These trademark rights are enforced and protected by litigation against infringement as necessary. The Company has granted licenses to other parties to manufacture apparel products in geographic areas where the Company does not have operations. The Company assures that these parties adhere to the same high standards of quality used in the Company's own operations.

In some instances, the Company pays a royalty to use the trademarks of others. The MARITHE & FRANCOIS GIRBAUD label is under license in the United States through 1997, subject to a single five year renewal term. The Company has licenses granted by the four major American professional sports leagues - - Major League Baseball, the National Basketball Association, the National Football League and the National Hockey League. Apparel is also manufactured and marketed featuring licensed characters from The Walt Disney Company, as well as apparel under the licensed FISHER-PRICE and NIKE labels. Some of these license arrangements are for a short term and may not contain specific renewal options. Management believes that loss of any license would not have a material adverse effect on the Company.

The apparel industry is highly competitive and consists of a number of domestic and foreign companies; some competitors have assets and sales greater than those of the Company. In addition, the Company competes with a number of firms that produce and distribute only a limited number of

products similar to those sold by the Company or sell only in certain geographic areas being supplied by the Company.

A characteristic of the apparel industry is the requirement that a manufacturer recognize fashion trends and adequately provide products to meet such trends. Competitive advantage in the industry is obtained by manufacturing better quality, market-responsive apparel and delivering to the retailer on time and at lower cost. The Company is striving to achieve this competitive edge with its Market Response System and proprietary FLOW REPLENISHMENT SYSTEM(R). The FLOW REPLENISHMENT SYSTEM is capable of capturing the sale of an individual garment at the time the consumer purchases the garment, creating and processing all necessary documentation, and shipping the exact garment to the retailer so that it is back on the selling store's shelf in less than seven days.

EMPLOYEES

The Company employs approximately 68,000 men and women, of which approximately 6,500 are covered by various collective bargaining agreements. Employee relations are considered to be good.

BACKLOG

The dollar amount of backlog of orders believed to be firm as of the end of the Company's fiscal year and as of the end of the preceding fiscal year is not material for an understanding of the business of the Company taken as a whole.

ITEM 2. PROPERTIES.

The Company owns most of its facilities used in manufacturing, distribution and administrative activities. Certain other facilities are leased under operating leases that generally contain renewal options. Management believes all facilities and machinery and equipment are in good condition and are suitable for the Company's needs. Manufacturing and distribution facilities presently being utilized are summarized below for the Company's business groups:

<TABLE>
<CAPTION>

Business Group	Square Footage
-----	-----
<S>	<C>
Jeanswear	7,628,000
Decorated Knitwear	4,581,000
Intimate Apparel	2,336,000
Playwear	1,562,000
Specialty Apparel	2,426,000

	18,533,000
	=====

</TABLE>

In addition, the Company owns or leases various administrative and office space. The Company also has facilities having 2,648,000 square feet of space that is used for factory outlet operations. Approximately 76% of the factory outlet space is used for selling and warehousing the Company's products, with the balance consisting of space leased to tenants and common areas.

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ITEM 3. LEGAL PROCEEDINGS.

There are no material legal proceedings or investigations pending or threatened to which the Company or any of its operating companies is a party or of which any of their property is the subject.

Notwithstanding the foregoing, the text under the caption "Other Matters" included in page 21 of the 1994 Annual Report is incorporated herein by reference.

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

Not applicable.

ITEM 4A. EXECUTIVE OFFICERS OF THE COMPANY.

The following are the Executive Officers of VF Corporation as of March 1, 1995. The term of office of each of the officers continues to the next annual meeting of the Board of Directors to be held April 18, 1995. There is no family relationship among any of the VF Corporation officers.

<TABLE>
<CAPTION>

Name	Position	Age	Period Served In Such Office(s)
----	-----	---	-----
<S>	<C>	<C>	<C>
Lawrence R. Pugh	Chairman of the Board and Chief Executive Officer Director	62	May 1983 to date February 1980 to date
Mackey J. McDonald	President and Chief Operating Officer Director	48	October 1993 to date October 1993 to date
Harold E. Addis	Vice President - Human Resources and Administration	64	July 1988 to date
Candace S. Cummings	Vice President - General Counsel	47	January 1995 to date
Gerard G. Johnson	Vice President - Finance and Chief Financial Officer	54	December 1988 to date
Daniel G. Mac Farlan	Chairman - Decorated Knitwear Coalition	44	February 1995 to date
Frank C. Pickard III	Vice President - Treasurer	50	April 1994 to date
John P. Schamberger	Chairman - Jeanswear Coalition	46	February 1995 to date
Robert K. Shearer	Vice President - Controller	43	April 1994 to date

</TABLE>

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<TABLE>

<S>	<C>	<C>	<C>
Lori M. Tarnoski	Vice President	55	May 1979 to date

</TABLE>

Mr. Pugh joined the Company as President in 1980. In 1982, he was elected Chief Executive Officer and in 1983 was elected Chairman of the Board. In October 1990, he was also elected President of the Company, serving in that position until October 1993. Additional information is included in page 3 of the Company's proxy statement dated March 17, 1995 for the Annual Meeting of Shareholders to be held on April 18, 1995 ("1995 Proxy Statement").

Mr. McDonald joined the Company's Lee division in 1983 serving in various management positions until his election as President of the Company's former Troutman division in 1984. He was named Executive Vice President of the Wrangler division in 1986 and President of Wrangler in 1988. He was named Group Vice President of the Company in February 1991 and in October 1993 was elected President of the Company. Additional information is included in page 3 of the 1995 Proxy Statement.

Mr. Addis joined the Company in 1984 as Vice President - Human Resources and was elected Vice President - Human Resources and Administration in 1988.

Mrs. Cummings joined the Company as Vice President - General Counsel in January 1995. For the prior five years, she had been a senior business partner at the international law firm of Dechert Price & Rhoads where she had spent her entire professional career.

Mr. Johnson joined the Company in 1988 as Vice President - Finance and Chief Financial Officer.

Mr. Mac Farlan joined the Company's Jantzen division in 1978 serving in various positions until he was named Vice President and General Manager - Women's Casualwear in September 1990 and Senior Vice President - Sales and Women's Casual in June 1992. In July 1993, he was named Vice President - Market Development of the Intimate Apparel divisions and was elected President of the Company's VF Factory Outlet division in October 1993. He has been President of the Company's Nutmeg division since November 1994 and Chairman of the Decorated Knitwear Coalition since February 1995.

Mr. Pickard joined the Company in 1976 and was elected Assistant Controller in 1982, Assistant Treasurer in 1985, Treasurer in 1987 and Vice President - Treasurer in April 1994.

Mr. Schamberger joined the Company's Wrangler division in 1972 serving in various positions until he was named Vice President and General Manager - New Brands in 1987 and Vice President - Consumer Marketing in March 1991. He was elected President of Wrangler in 1992 and Chairman of the Jeanswear Coalition in February 1995.

Mr. Shearer joined the Company in 1986 as Assistant Controller and was elected Controller in 1989 and Vice President - Controller in April 1994.

Mrs. Tarnoski joined the Company in 1961. She was elected Assistant Secretary in 1973, Secretary in 1974 and Vice President in 1979.

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PART II

ITEM 5. MARKET FOR THE COMPANY'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

Information concerning the market and price history of the Company's common stock, plus dividend information, as reported under the caption "Quarterly Results of Operations" on page 15 and under the captions "Investor Information - Common Stock, Shareholders of Record, Dividend Policy, Dividend Reinvestment Plan, Dividend Direct Deposit and Quarterly Common Stock Price Information" on page 32 of the 1994 Annual Report, is incorporated herein by reference.

ITEM 6. SELECTED FINANCIAL DATA.

Selected financial data for the Company for each of its last five fiscal years under the caption "Financial Summary" on pages 28 and 29 of the 1994 Annual Report is incorporated herein by reference.

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

A discussion of the Company's financial condition and results of operations is incorporated herein by reference to pages 17, 19 and 21 of the 1994 Annual Report.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

Financial statements of the Company and specific supplementary financial information are incorporated herein by reference to pages 16, 18, 20 and 22 through 27 of the 1994 Annual Report.

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

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY.

Information under the caption "Election of Directors" on pages 2 through 4 of the 1995 Proxy Statement is incorporated herein by reference. See Item 4A with regard to Executive Officers.

Information under the caption "Compliance with Section 16(a) of the Securities Exchange Act" on page 23 of the 1995 Proxy Statement is incorporated herein by reference.

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ITEM 11. EXECUTIVE COMPENSATION.

Information with regard to this item is incorporated herein by reference to pages 6 through 17 of the 1995 Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

Information under the caption "Certain Beneficial Owners" on page 19 and "Common Stock Ownership of Management" on page 20 of the 1995 Proxy Statement is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Information under the caption "Common Stock Ownership of Management" on page 20 of the 1995 Proxy Statement is incorporated herein by reference.

PART IV

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

(a) The following documents are filed as a part of this report:

1. Financial statements - Included on pages 16, 18, 20 and 22 through 27 of the 1994 Annual Report (Exhibit 13) and incorporated by reference in Item 8:

Consolidated statements of income - - Fiscal years ended December 31, 1994, January 1, 1994 and January 2, 1993

Consolidated balance sheets - - December 31, 1994 and January 1, 1994

Consolidated statements of cash flows - - Fiscal years ended December 31, 1994, January 1, 1994 and January 2, 1993

Consolidated statements of common shareholders' equity - - Fiscal years ended December 31, 1994, January 1, 1994 and January 2, 1993

Notes to consolidated financial statements

2. Financial statement schedules - The following consolidated financial statement schedule is included herein:

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Schedule II - - Valuation and qualifying accounts

All other schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and therefore have been omitted.

3. Exhibits

Number

Description

2 Plan of acquisition, reorganization, arrangement, liquidation or succession:

(A) Agreement and Plan of Merger between the Company, Spice Acquisition Co. and Nutmeg Industries, Inc. dated December 12, 1993 (Incorporated by reference to Exhibit (d) Schedule 14D-1 filed December 12, 1993)

3 Articles of incorporation and bylaws:

(A) Articles of Incorporation, as amended and restated as of April 18, 1986 and as presently in effect (Incorporated by reference to Exhibit 3(A) to Form 10-K for the fiscal year ended January 4, 1992)

(B) Statement Affecting Class or Series of Shares (Incorporated by

reference to Exhibit 3(B) to Form 10-K for the fiscal year ended January 2, 1993)

- (C) Statement with Respect to Shares of Series B ESOP Convertible Preferred Stock (Incorporated by reference to Exhibit 4.2 to Form 8-K dated January 22, 1990)
- (D) Bylaws, as amended through July 17, 1990 and as presently in effect (Incorporated by reference to Exhibit 3 to the Form 8 amendment, dated August 10, 1990, to Form 10-Q for the fiscal quarter ended June 30, 1990)

4 Instruments defining the rights of security holders, including indentures:

- (A) A specimen of the Company's Common Stock certificate (Incorporated by reference to Exhibit 4(A) to Form 10-K for the fiscal year ended January 2, 1993)
- (B) A specimen of the Company's Series B ESOP Convertible Preferred Stock certificate (Incorporated by reference to Exhibit 4(B) to Form 10-K for the fiscal year ended December 29, 1990)
- (C) Indenture between the Company and Morgan Guaranty Trust Company of New York, dated January 1, 1987 (Incorporated by reference to Exhibit 4.1 to Form S-3 Registration No. 33-10939)
- (D) First Supplemental Indenture between the Company, Morgan Guaranty Trust Company of New York and United States Trust Company of New York, dated September 1, 1989 (Incorporated by reference to Exhibit 4.3 to Form S-3 Registration No. 33-30889)
- (E) Rights Agreement, dated January 13, 1988, between the Company and Morgan Shareholder Services Trust Company (Incorporated by reference to Exhibit 4(E) to Form 10-K for the fiscal year ended January 2, 1993)
- (F) Amendment No. 1 to Rights Agreement, dated April 17, 1990, between the Company and First Chicago Trust Company of New York (Incorporated by reference to Exhibit 4 to Form 10-Q for the fiscal quarter ended June 30, 1990)
- (G) Amendment No. 2 to Rights Agreement, dated December 4, 1990, between the Company and First Chicago Trust Company of New York (Incorporated by reference to Exhibit 3 to Form 8-K dated December 4, 1990)
- (H) Second Supplemental Indenture between the Company and United States Trust Company of New York as Trustee (Incorporated by reference to Exhibit 4.1 to Form 8-K, dated April 6, 1994)

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10 Material contracts:

- (A) 1982 Stock Option Plan (Incorporated by reference to Exhibit 4.1.1 of Post-Effective Amendment No. 1 to Form S-8/S-3, Registration No. 33-26566)
- (B) 1991 Stock Option Plan (Incorporated by reference to Exhibit A of the Company's 1992 Proxy Statement dated March 18, 1992)
- (C) Annual Discretionary Management Incentive Compensation Program (Incorporated by reference to Exhibit 10(C) to Form 10-K for the fiscal year ended January 4, 1992)
- (D) Deferred Compensation Plan (Incorporated by reference to Exhibit 10(B) to Form 10-K for the fiscal year ended December 29, 1990)
- (E) Executive Deferred Savings Plan (Incorporated by reference to Exhibit 10(E) to Form 10-K for the fiscal year ended January 4, 1992)
- (F) Amended and Restated Supplemental Executive Retirement Plan, dated May 16, 1989
- (G) First Amended Annual Benefit Determination under the Amended and Restated Supplemental Executive Retirement Plan for L. R. Pugh
- (H) Second Amended Annual Benefit Determination under the Amended and Restated Supplemental Executive Retirement Plan for Mid-Career Senior Management
- (I) Third Amended Annual Benefit Determination under the Amended and Restated Supplemental Executive Retirement Plan for Senior Management

(J) Fourth Amended Annual Benefit Determination under the Amended and Restated Supplemental Executive Retirement Plan for Participants in the Company's Deferred Compensation Plan

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(K) Fifth Amended Annual Benefit Determination under the Amended and Restated Supplemental Executive Retirement Plan which funds certain benefits upon a Change in Control

(L) Seventh Amended Annual Benefit Determination under the Amended and Restated Supplemental Executive Retirement Plan for Participants in the Company's Executive Deferred Savings Plan

(M) Eighth Amended Annual Benefit Determination under the Amended and Restated Supplemental Executive Retirement Plan for Participants whose Pension Plan Benefits are limited by the Internal Revenue Code

(N) Form of Change in Control Agreement with senior management of the Company (Incorporated by reference to Exhibit 10(J) to Form 10-K for the fiscal year ended December 29, 1990)

(O) Form of Change in Control Agreement with other management of the Company (Incorporated by reference to Exhibit 10(K) to Form 10-K for the fiscal year ended December 29, 1990)

(P) Form of Change in Control Agreement with management of subsidiaries of the Company (Incorporated by reference to Exhibit 10(L) to Form 10-K for the fiscal year ended December 29, 1990)

(Q) Revolving Credit Agreement, dated October 20, 1994

(R) Executive Incentive Compensation Plan

(S) VF Corporation Restricted Stock Agreement

(T) Discretionary Executive Bonus Plan

11 Computation of earnings per common share

13 Annual report to security holders

21 Subsidiaries of the Corporation

23.1 Consents of experts and counsel

23.2 Consents of experts and counsel

24 Power of attorney

27 Financial data schedule

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99 Additional exhibits:

(A) Form 11-K for VF Corporation Tax-Advantaged Savings Plan for Salaried Employees for the year ended December 31, 1994

All other exhibits for which provision is made in the applicable regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and therefore have been omitted.

(b) Reports on Form 8-K:

There were no reports on Form 8-K filed during the last quarter of the fiscal year ended December 31, 1994.

OTHER MATTERS

For purposes of complying with the amendments to the rules governing Registration Statements on Form S-8 under the Securities Act of 1933, the undersigned Company hereby undertakes as follows, which undertaking shall be incorporated by reference into the Company's Registration Statements on Form S-8 Nos. 33-26566 (filed January 12, 1989), 33-33621 (filed February 28, 1990) and 33-41241 (filed June 24, 1991):

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Company pursuant to the foregoing provisions, or otherwise, the Company has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Company of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such

director, officer or controlling person in connection with the securities being registered, the Company will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

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

V.F. CORPORATION

By: /s/ Lawrence R. Pugh

 Lawrence R. Pugh
 Chairman of the Board
 (Chief Executive Officer)

By: /s/ Gerard G. Johnson

 Gerard G. Johnson
 Vice President - Finance
 (Chief Financial Officer)

By: /s/ Robert K. Shearer

 Robert K. Shearer
 Vice President - Controller
 (Chief Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Company and in the capacities and on the dates indicated:

<TABLE>	<S>	<C>	<C>
	Robert D. Buzzell*	Director	
	Edward E. Crutchfield, Jr.*	Director	
	Ursula F. Fairbairn*	Director	
	Barbara S. Feigin*	Director	
	Roger S. Hillas*	Director	
	Leon C. Holt, Jr.*	Director	
	Robert J. Hurst*	Director	
	J. Berkley Ingram, Jr.*	Director	March 27, 1995
	Robert F. Longbine*	Director	
	Mackey J. McDonald*	Director	
	William E. Pike*	Director	
	Lawrence R. Pugh*	Director	
	M. Rust Sharp*	Director	
	L. Dudley Walker*	Director	

*By: /s/ L. M. Tarnoski March 27, 1995

 L. M. Tarnoski, Attorney-in-Fact
 </TABLE>

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

<TABLE>
 <CAPTION>

COL. A	COL. B	COL. C	COL. D	COL. E

ADDITIONS				
		(1)	(2)	
	Balance at	Charged to	Charged to	Deductions
				Balance at

	Beginning of Period	Costs and Expenses	Other Accounts Describe	Describe (A)	End of Period
(Dollars in thousands)					
<S>	<C>	<C>		<C>	<C>
Fiscal year ended December 31, 1994:					
Allowance for doubtful accounts	\$28,808	\$11,274		\$ 7,288	\$32,794
Fiscal year ended January 1, 1994:					
Allowance for doubtful accounts	\$30,275	\$ 9,146		\$10,613	\$28,808
Fiscal year ended January 2, 1993:					
Allowance for doubtful accounts	\$22,412	\$ 8,255		\$ 392	\$30,275

</TABLE>

(A) Deductions include accounts written off, net of recoveries. Amounts are also net of additions of \$2.4 million and \$4.3 million in 1994 and 1992, respectively, from the acquisitions of subsidiaries.

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The following exhibits of VF Corporation are included in Item 14(a):

EXHIBIT INDEX

<TABLE>
<CAPTION>

Number	Description	Page Number In This Report
<S>	<C>	<C>
2	Plan of acquisition, reorganization, arrangement, liquidation or succession. (A) Agreement and Plan of Merger between the Company, Spice Acquisition Co. and Nutmeg Industries, Inc. dated December 12, 1993	Incorporated By Reference
3	Articles of incorporation and bylaws: (A) Articles of Incorporation, as amended and restated as of April 18, 1986 and as presently in effect (B) Statement Affecting Class or Series of Shares (C) Statement with Respect to Shares of Series B ESOP Convertible Preferred Stock (D) Bylaws, as amended through July 17, 1990 and as presently in effect	Incorporated By Reference Incorporated By Reference Incorporated By Reference Incorporated By Reference
4	Instruments defining the rights of security holders, including indentures: (A) A specimen of the Company's Common Stock certificate (B) A specimen of the Company's Series B ESOP Convertible Preferred Stock certificate (C) Indenture between the Company and Morgan Guaranty Trust Company of New York, dated January 1, 1987 (D) First Supplemental Indenture between the Company, Morgan Guaranty Trust Company of New York and Untied States Trust Company of New York, dated September 1, 1989 (E) Rights Agreement, dated January 13, 1988, between the Company and Morgan Shareholder Services Trust Company	Incorporated By Reference Incorporated By Reference Incorporated By Reference Incorporated By Reference Incorporated By Reference

</TABLE>

<TABLE>

<S>	<C>	<C>
(F)	Amendment No. 1 to Rights Agreement, dated April 17, 1990, between the Company and First Chicago Trust Company	Incorporated By Reference

of New York

- | | | |
|-----|---|---------------------------|
| (G) | Amendment No.2 to Rights Agreement, dated December 4, 1990, between the Company and First Chicago Trust Company of New York | Incorporated By Reference |
| (H) | Second Supplemental Indenture between the Company and United States Trust Company of New York as Trustee | Incorporated By Reference |

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Material contracts:

- | | | |
|-----|--|---------------------------|
| (A) | 1982 Stock Option Plan | Incorporated By Reference |
| (B) | 1991 Stock Option Plan | Incorporated By Reference |
| (C) | Annual Discretionary Management Incentive Compensation Program | Incorporated By Reference |
| (D) | Deferred Compensation Plan | Incorporated By Reference |
| (E) | Executive Deferred Savings Plan | Incorporated By Reference |
| (F) | Amended and Restated Supplemental Executive Retirement Plan, dated May 16, 1989 | |
| (G) | First Amended Annual Benefit Determination under the Amended and Restated Supplemental Executive Retirement Plan for L.R. Pugh | |
| (H) | Second Amended Annual Benefit Determination under the Amended and Restated Supplemental Executive Retirement Plan for Mid-Career Senior Management | |
| (I) | Third Amended Annual Benefit Determination under the Amended and Restated Supplemental Executive Retirement Plan for Senior Management | |
| (J) | Fourth Amended Annual Benefit Determination under the Amended and Restated Supplemental Executive Retirement Plan for Participants in the Company's Deferred Compensation Plan | |

</TABLE>

<TABLE>

<S>

- | | | |
|-----|---|---------------------------|
| <C> | <C> | |
| (K) | Fifth Amended Annual Benefit Determination under the Amended and Restated Supplemental Executive Retirement Plan which funds certain benefits upon a Change of Control | |
| (L) | Seventh Amended Annual Benefit Determination under the Amended and Restated Supplemental Executive Retirement Plan for Participants in the Company's Executive Deferred Savings Plan | |
| (M) | Eighth Amended Annual Benefit Determination under the Amended and Restated Supplemental Executive Retirement Plan for Participants whose Pension Plan Benefits are limited by the Internal Revenue Code | |
| (N) | Form of Change in Control Agreement with senior management of the Company | Incorporated By Reference |
| (O) | Form of Change in Control Agreement with other management of the Company | Incorporated By Reference |
| (P) | Form of Change in Control Agreement with management of subsidiaries of the Company | Incorporated By Reference |
| (Q) | Revolving Credit Agreement, dated October 20, 1994 | |
| (R) | Executive Incentive Compensation Plan | |
| (S) | VF Corporation Restricted Stock Agreement | |
| (T) | Discretionary Executive Bonus Plan | |

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Computation of earnings per common share

13

Annual report to security holders

21

Subsidiaries of the Corporation

23.1

Consents of experts and counsel

23.2

Consents of experts and counsel

24

Power of attorney

<TABLE>
<S> <C>
99 Additional exhibits:
(A) Form 11-K for VF Corporation Tax-Advantaged Savings
Plan for Salaried Employees for the year ended December 31, 1994
</TABLE>

All other exhibits for which provision is made in the applicable regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and therefore have been omitted.

VF CORPORATION

AMENDED AND RESTATED
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

This Amended and Restated Plan amends and restates the original Supplemental Executive Retirement Plan approved and adopted by the Board of Directors of VF Corporation on October 16, 1984.

W I T N E S S E T H

WHEREAS, on October 16, 1984, VF Corporation established the Plan for certain designated Employees, effective as of January 1, 1985; and

WHEREAS, VF Corporation desires to amend and restate the Plan.

NOW, THEREFORE, the Plan is hereby amended and restated to read as follows:

ARTICLE I. PURPOSE

The purpose of this Plan is to provide benefits to Participants:

1. to replace benefits lost under the VF Corporation Pension Plan (the "VF Pension Plan") due to maximum benefit, contribution or compensation restrictions imposed by ERISA or the Code;
2. which would otherwise be lost under the VF Pension Plan due to deferral of compensation under the VF Corporation Deferred Compensation Plan or the VF Executive Deferred Savings Plan;
3. who lost future benefits with former employers as a result of their joining the Company in mid-career; or
4. which would enable the Company to be competitive in recruiting and retaining key executives.

ARTICLE II. DEFINITIONS

As used herein, the following words and phrases shall have the meanings described below. Any word or phrase which is not defined herein shall have the meaning set forth in the VF Pension Plan unless the context requires otherwise.

2.01 Annual Accrued Benefits: The Annual Accrued Benefit of a Participant shall consist of any combination of subparagraphs (a) and (b) below as determined by the Committee for each Participant and, absent any such determination by the Committee, shall be the annual benefit determined in Section 2.01(a)(1) below:

(a) Annual Benefit Determination. The annual benefit shall be the sum of the following:

(1) the annual benefit that the Participant would have accrued under the VF Pension Plan (i) computed without regard to any maximum benefit, contribution or compensation limitations imposed by ERISA or the Code, and (ii) including all

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compensation which the Participant elected to defer under the VF Corporation Deferred Compensation Plan or the VF Executive Deferred Savings Plan; provided, however, that the amount so determined shall be reduced by the Participant's (i) annual benefit under the VF Pension Plan, and (ii) benefits received from retirement plan(s) of any former employer(s); and

(2) any supplemental annual benefit recommended by the Chairman of the Board of Directors of VF Corporation and approved by the Committee.

(b) Reductions in the Annual Benefit. In determining the Annual Accrued Benefit, the annual benefit determined under Section 2.01(a) shall be reduced by any one or more of the following amounts designated by the Committee:

- (1) the Primary Social Security Benefit Offset;
- (2) any vested annual benefit payable to the Participant under any plan provided by a former employer of such Participant; and
- (3) such amounts as may be directed by the Committee.

2.02 Beneficiary. The person(s) designated by a Participant to receive any benefits payable under this Plan subsequent to the Participant's death. In the event a Participant has not filed a beneficiary designation with the Company, the Beneficiary shall be the Participant's surviving spouse.

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2.03 Board of Directors. The Board of Directors of VF Corporation.

2.04 Code. The Internal Revenue Code of 1986, as amended, or any successor tax statute thereto.

2.05 Committee. The Organization and Compensation Committee of the Board of Directors of VF Corporation, or any successor committee thereto.

2.06 Company. VF Corporation ("VF"); the following domestic wholly-owned subsidiaries of VF, The Lee Apparel Company, Inc.; Vanity Fair Mills, Inc.; VF Factory Outlet, Inc.; VF International Division, Inc.; Grafika Commercial Printing, Inc.; Kay Windsor, Inc.; Bassett-Walker, Inc.; and Blue Bell, Inc.; and such other subsidiaries as the Board of Directors may designate from time to time.

2.07 Effective Date. January 1, 1985.

2.08 Employee. An individual employed by the Company.

2.09 ERISA. The Employee Retirement Income Security Act of 1974, as amended.

2.10 Participant. An Employee who has been designated by the Board for eligibility in the Plan and who either satisfies the eligibility requirements set forth in Article III hereof or has a vested benefit hereunder. In the event of the death or incompetency of a Participant, the term shall mean his beneficiary, personal representative or guardian.

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2.11 Plan. The Amended and Restated VF Corporation Supplemental Executive Retirement Plan as set forth herein, as amended and restated from time to time and including all determinations by the Committee or the Board of Directors of participation or benefit entitlement pursuant hereto.

2.12 Primary Social Security Benefit Offset. The estimated monthly primary Social Security benefit which will be payable to the Participant at age 65 or at his Retirement Date, whichever is applicable. For a Participant who terminates with vested rights under this Plan prior to age 65, his estimated monthly Primary Social Security Benefit Offset payable at 65 will be determined under the law in effect upon termination of employment.

2.13 Retirement Date. The date on which the Participant actually retires under the VF Pension Plan.

2.14 Supplemental Pension. The Annual Accrued Benefit determined under Section 2.01 of this Plan, subject to the vesting limitation in Section 5.01 hereof.

2.15 VF Pension Plan. The VF Corporation Pension Plan as amended and restated from time to time, or any successor plan thereto.

ARTICLE III. PARTICIPATION

3.01 An Employee shall become a Participant in the Plan if the Employee (a) has been recommended by the Chairman of the

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Board of Directors of VF Corporation to become a Participant in the Plan and such recommendation has been approved by the Committee by a written designation, and (b) satisfies one or both of the following:

- (i) the Employee has lost benefits under the VF Pension Plan due to the maximum benefit, contribution or compensation limitations imposed by ERISA or the Code; or
- (ii) the Employee has deferred compensation under the VF Corporation Deferred Compensation Plan or the VF Executive Deferred Savings Plan.

3.02 The Committee may revoke the designation of any Employee as a Participant in the Plan at any time before such Participant vests in his or her

Annual Accrued Benefits.

ARTICLE IV. NORMAL RETIREMENT BENEFITS

4.01 The Company will pay each Participant in the Plan a Supplemental Pension commencing as of the Participant's Retirement Date.

4.02 The Supplemental Pension will be paid to the Participant or Beneficiary at the same time and in the same manner as retirement benefits are paid under the VF Pension Plan.

4.03 If approved by the Board of Directors, benefits under this Plan may be paid at times and in a manner different from retirement benefits under the VF Pension Plan, as long as

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such benefits are the actuarial equivalent of the Supplemental Pension to which the Participant or Beneficiary is entitled.

ARTICLE V. VESTING

5.01 A Participant will become vested in his Annual Accrued Benefit in the same manner as provided for his or her pension benefits under Article IV of the VF Pension Plan (or such successor provision thereto), unless otherwise provided by the Committee at the time the Employee has been designated a Participant in this Plan or thereafter by mutual agreement between the Company and the Participant.

ARTICLE VI. FUNDING

6.01 Benefits payable under this Plan are not expected to be funded in advance by the Company and, unless otherwise provided by the Company, will be paid out of the general assets of the Company. A Participant shall have no preferred claim against the assets of the Company by virtue of this Plan and shall be a general, unsecured creditor of the Company to the extent of his or her right to receive benefits from the Company pursuant to the terms of this Plan.

ARTICLE VII. MISCELLANEOUS

7.01 Nothing in this Plan (a) shall be deemed to exclude a Participant from any compensation, bonus, pension, insurance,

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severance pay or other benefit to which he otherwise is or might become entitled as an Employee of the Company, or (b) shall be construed as conferring upon an Employee the right to continue in the employ of the Company as an executive or in any other capacity.

7.02 Amounts payable by the Company hereunder shall not be deemed to be any type of compensation to a Participant for the purposes of computing any benefits to which he may be entitled as an Employee or a retired Employee.

7.03 The sale of all or substantially all of the assets of VF, or the merger, consolidation or reorganization of VF wherein VF is not the surviving corporation, or any other transaction which, in effect, amounts to the sale of VF or voting control thereof, shall not terminate this Plan and the obligations created hereunder shall be binding upon the successors and assigns of VF.

7.04 The rights and obligations created hereunder shall be binding on a Participant and his heirs and legal representatives and on the successors and assigns of the Company.

7.05 This Plan may be amended, modified, suspended or terminated by resolution of the Board of Directors. In the event the Plan is terminated, each Participant as of the effective date of the Plan termination will become 100% vested in his Annual Accrued Benefit.

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7.06 The masculine pronoun whenever used herein shall include the feminine. Whenever any words are used herein in the singular, they shall be construed as though they were also used in the plural, in all cases where they would so apply.

7.07 This Plan shall be Construed in accordance with and governed by the laws of the Commonwealth of Pennsylvania.

7.08 The rights of any Participant or Beneficiary under this Plan are personal and may not be assigned, transferred, pledged or encumbered except as otherwise required by applicable law, and any such attempt to transfer such

rights shall be void.

7.09 The Board of Directors (or its designee) shall have full power and authority to interpret and administer this Plan and the Board's (or its designee's) actions in so doing shall be final and binding on all persons interested in this Plan. The Board of Directors (or its designee) may from time to time adopt rules and regulations governing this Plan.

7.10 Nothing contained herein shall be deemed to create a trust or fund of any kind or create any fiduciary relationship.

7.11 Neither the Company nor any member of the Board of Directors shall be responsible or liable in any manner to any Participant, Beneficiary or any person claiming through them for any benefit or action taken or omitted in connection with the granting of benefits, the continuation of benefits, or the interpretation and administration of this Plan.

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This Amended and Restated Plan was approved by the Board of Directors of VF Corporation on May 16, 1989.

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FIRST AMENDED SUPPLEMENTAL ANNUAL BENEFIT DETERMINATION
PURSUANT TO THE VF CORPORATION AMENDED AND RESTATED
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

THIS AGREEMENT made and entered into as of the 15th day of October, 1991, by and between VF Corporation, a Pennsylvania corporation (the "Company") and L.R. Pugh, the Company's Chairman of the Board, President and Chief Executive Officer ("Pugh").

WHEREAS, Pugh is a Participant in the Company's Amended and Restated Supplemental Executive Retirement Plan ("SERP"), which became effective January 1, 1985, as amended and restated May 16, 1989;

WHEREAS, Pugh is a party to the First Supplemental Annual Benefit Determination adopted pursuant to the resolution of the Company's Board of Directors adopted December 6, 1988 which, in recognition of the fact that Pugh lost benefits under the VF Corporation Pension Plan ("VF Pension Plan") and the qualified plans of former employers as a result of his joining the Company in mid-career, provides that Pugh's combined retirement income from the VF Pension Plan and the SERP shall be a specified minimum amount, based on the formula set forth therein; and

WHEREAS, the Company's Board of Directors, pursuant to the resolution adopted October 15, 1991 and attached hereto and incorporated herein by reference, has determined to revise and improve the benefit formula for Pugh under the aforementioned First Supplemental Annual Benefit Determination, resulting in the adoption of this First Amended Supplemental Annual Benefit Determination.

NOW, THEREFORE, in consideration of the agreements and mutual promises contained herein and in the SERP, the parties hereto, intending to be legally bound hereby, agree as follows:

1. The Supplemental Pension payable by the Company to Pugh pursuant to Article IV of the SERP will be the amount which, when added to his retirement benefit payable from the VF Pension Plan, will result in Pugh's combined benefits from the VF Pension Plan and the SERP totalling 50% of his Final Average Compensation, for payments commencing at a Retirement Date of age 60. The percentage of Final Average Compensation shall be increased by 2% for each year that Pugh's Retirement Date is after age 60, to a maximum of 60% for a Retirement Date at or after age 65, and shall decrease by 4% for each year that Pugh's Retirement Date precedes age 60. Final Average Compensation for this purpose shall mean the average of the highest three years of the full amount of Pugh's salary and bonus compensation for the five year period immediately preceding his Retirement Date.

2. The Supplemental Pension determined pursuant to Paragraph 1 above shall not be subject to reduction for Pugh's Primary Social Security Benefit Offset, any benefit payable to Pugh under any plan of a former employer or any other amounts approved by the Committee, notwithstanding the provisions of Section 2.01(b) of the SERP.

3. Notwithstanding Paragraph 1 above, Pugh's Supplemental Pension under the SERP shall be the greater of (a) the amount determined under Paragraph 1 above and (b) the amount determined under Section 2.01(a) of the SERP (without regard to Paragraph 1 above).

4. The Supplemental Pension will be paid to Pugh or his Surviving Spouse at the same time and in the same form as benefits are paid under the VF Pension Plan, provided, however, that death or survivor benefits upon the death of Pugh are payable only to his Surviving Spouse, if any.

5. Effective as of the date of this Agreement, Pugh shall be fully vested in his Supplemental Pension under the SERP determined pursuant to this Agreement.

6. Except as expressly provided in this Agreement, the rights and obligations of the Company and Pugh with respect to the SERP shall be governed by the provisions of the SERP. Capitalized terms not defined herein shall have the meanings assigned thereto in the SERP and the VF Pension Plan.

7. Nothing contained herein shall be deemed to create a trust or fund of any kind or create any fiduciary relationship between the Company and Pugh, his Surviving Spouse or any other person. To the extent that Pugh, his Surviving Spouse or any other person acquires a right to receive payments from the Company under this Agreement, such right shall be no greater than the right of any unsecured general creditor of the Company.

8. Nothing contained herein shall be construed as conferring upon Pugh the right to continue in the employ of the Company as an executive or in any other capacity.

9. The sale of all or substantially all of the assets of the Company, or the merger, consolidation or reorganization of the Company wherein the Company is not the surviving corporation, or any other transaction which, in effect, amounts to the sale of the Company or voting control thereof, shall not terminate this Agreement and the obligations created hereunder shall be binding upon the successors and assigns of the Company.

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10. The rights and obligations created hereunder shall be binding on Pugh and his heirs and legal representatives and on the successors and assigns of the Company.

11. This Agreement shall be construed in accordance with and governed by the laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer and Pugh has hereunto set his hand and seal as of the date first above written.

VF CORPORATION

By: /s/ Harold E. Addis

Harold E. Addis,
Vice President - Human Resources &
Administration

/s/ L.R. Pugh

L.R. Pugh

SECOND AMENDED SUPPLEMENTAL ANNUAL BENEFIT DETERMINATION
PURSUANT TO THE VF CORPORATION AMENDED AND
RESTATED SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

ARTICLE I. PURPOSE

The purpose of this Second Amended Supplemental Annual Benefit Determination (the "Determination") is to provide to designated Participants a Supplemental Pension under the VF Corporation Amended and Restated Supplemental Executive Retirement Plan (the "SERP").

ARTICLE II. DEFINITIONS

As used herein, words and phrases shall have such meanings as are set forth in the SERP, the VF Corporation Pension Plan ("Pension Plan"), and those agreements between the Corporation and certain Executives of the Corporation providing for severance benefits upon employment termination in connection with a "change in control" of the Corporation (the "Change in Control Agreements"). "Committee" shall mean the Organization and Compensation Committee of the Board of Directors of VF Corporation.

ARTICLE III. ELIGIBILITY FOR BENEFITS

The Supplemental Pension shall be payable to the Participant if his employment terminates by reason of: 1) retirement on his Normal Retirement Date, 2) Early Retirement approved by the Committee, 3) involuntary termination without Cause, 4) termination for Good Reason following a change in control of the Corporation or 5) death while an Employee.

ARTICLE IV. SUPPLEMENTAL PENSION BENEFITS

4.01 Normal Retirement: The Supplemental Pension payable at Normal or Late Retirement shall be equal to:

- (a) The Normal Retirement Benefit otherwise payable to the Participant under the Pension Plan based upon 25 Years of Credit without reduction for any maximum contribution, benefit or compensation limitations imposed by ERISA or the Code on the Corporation and including in the Normal Retirement Benefit calculation any compensation deferred by Participant. The Participant's "Average Annual Compensation" for Supplemental Pension calculation purposes shall mean the average of the highest

three years of the full amount of the Participant's salary and bonus compensation for the five-year period preceding his Retirement Date.

- (b) The Supplemental Pension set forth in Section 4.01(a) shall be reduced by any benefits payable to the Participant under all other qualified and non-qualified retirement plans, including without limitation the Pension Plan and the retirement plan(s) of former employer(s). For this purpose, "retirement plan" shall not include the VF Corporation Tax-Advantaged Savings Plan or any other savings or thrift plan of the Corporation or any former employer(s).

4.02 Early Retirement: No Supplemental Pension shall be payable with respect to a Participant's Early Retirement unless the Committee approves benefit payments hereunder in connection with such Early Retirement. If so approved, the Supplemental Pension payable at Early Retirement shall commence at the Participant's Retirement Date and be equal to the benefit provided by Section 4.01 above, multiplied by a fraction to reflect termination of employment prior to Normal Retirement Date and further reduced to reflect commencement of payments prior to age 65. The numerator of the pre-Normal Retirement Date termination fraction shall be 26 less the number of full years it would take for the Participant to reach or pass his Normal Retirement Date. The denominator of this fraction shall be 25, except that the fraction shall never exceed 1. The additional reduction for pre-age 65 commencement of benefits shall be 1/150th for each month (up to 36 months) between ages 62 and 65 and 1/300th for each month (up to 84 months) between ages 55 and 62 by which the commencement date of the Supplemental Pension precedes age 65.

4.03 Involuntary Termination without Cause: The Supplemental Pension payable upon the Participant's involuntary termination without Cause shall, without requiring approval by the Committee, be as

provided by Section 4.02.

4.04 Termination for Good Reason: The Supplemental Pension payable upon the Participant's termination for Good Reason after a change in control shall be as provided by Section 4.03.

4.05 Death while an Employee: The Supplemental Pension payable upon the death of the Participant while an Employee shall be as provided by Section 4.03.

4.06 Form of Supplemental Pension: The Supplemental Pension will be paid to the Participant or his Surviving Spouse at

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the same time and in the same form as benefits are paid under the Pension Plan, provided, however, that death or survivor benefits upon the death of the Participant are payable only to his Surviving Spouse, if any. Notwithstanding the foregoing, benefits payable pursuant to Section 4.03 ("involuntary termination without Cause"), Section 4.04 ("termination for Good Reason") or Section 4.05 ("death while an Employee") shall not commence prior to the Participant's Normal Retirement Date except that, at his sole discretion, the Participant or his Surviving Spouse, as applicable, may elect, in the event of termination for Good Reason after a change in control or death while an Employee, to receive in a lump sum the actuarial present value of the Participant's Supplemental Pension under this Determination.

ARTICLE V. PARTICIPANTS

The Committee shall from time to time designate the Employees who shall be Participants for purposes of this Determination by attaching hereto a Schedule A (as amended or supplemented).

ARTICLE VI. VESTING

The Participant shall become vested in the Supplemental Pension payable pursuant to this Determination upon satisfaction of the vesting period provided in the SERP or, if applicable, as provided in Participant's Change in Control Agreement, whichever is earlier. Nothing in this Determination shall preclude the Board of Directors from making a Participant ineligible to participate in the SERP and this Determination any time before the Participant shall become vested hereunder.

ARTICLE VII. ADOPTION

This Amended Determination was approved and adopted by the Committee on December 2, 1991, and the Committee's action was ratified by the Board of Directors of the Corporation on December 3, 1991.

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SECOND SUPPLEMENTAL ANNUAL BENEFIT DETERMINATION

AMENDED SCHEDULE A

1. G. G. Johnson
2. H. E. Addis
3. F. J. Rowan
4. P. R. Charron
5. H. L. Hazlett
6. J. G. Johnson
7. R. R. Lindley

Date: October 15, 1991

THIRD AMENDED SUPPLEMENTAL ANNUAL BENEFIT DETERMINATION
PURSUANT TO THE VF CORPORATION AMENDED AND
RESTATED SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

ARTICLE I. PURPOSE

The purpose of this Third Amended Supplemental Annual Benefit Determination (the "Determination") is to provide to designated Participants a Supplemental Pension under the VF Corporation Amended and Restated Supplemental Executive Retirement Plan (the "SERP").

ARTICLE II. DEFINITIONS

As used herein, words and phrases shall have such meanings as are set forth in the SERP, the VF Corporation Pension Plan ("Pension Plan"), and those agreements between the Corporation and certain Executives of the Corporation providing for severance benefits upon employment termination in connection with a "change in control" of the Corporation (the "Change in Control Agreements"). "Committee" shall mean the Organization and Compensation Committee of the Board of Directors of VF Corporation.

ARTICLE III. ELIGIBILITY FOR BENEFITS

The Supplemental Pension shall be payable to the Participant if his employment terminates by reason of: 1) retirement on his Normal Retirement Date, 2) Early Retirement approved by the Committee, 3) involuntary termination without Cause, 4) termination for Good Reason following a change in control of the Corporation or 5) death while an Employee.

ARTICLE IV. SUPPLEMENTAL PENSION BENEFITS

4.01 Normal Retirement: The Supplemental Pension payable at Normal or Late Retirement shall be equal to the Supplemental Pension determined under Section 2.01(a)(1) of the SERP, provided, however, that the Participant's "Average Annual Compensation" for Supplemental Pension calculation purposes shall mean the average of the highest three years of the full amount of the Participant's salary and bonus compensation for the five-year period preceding his Retirement Date.

4.02 Early Retirement: No Supplemental Pension shall be payable with respect to a Participant's Early Retirement unless the Committee approves benefit payments hereunder in connection with such Early Retirement. If so approved, the Supplemental Pension

payable at Early Retirement shall commence at the Participant's Retirement Date and be equal to the benefit provided by Section 4.01 above, multiplied by a fraction to reflect termination of employment prior to Normal Retirement Date and further reduced to reflect commencement of payments prior to age 65. The numerator of the pre-Normal Retirement Date termination fraction shall be the number of full and part years of a Participant's employment with Corporation. The denominator of this fraction shall be the number of full and part years of the Participant's employment as if the Participant had been employed until Normal Retirement Date. The additional reduction for pre-age 65 commencement of benefits shall be 1/150th for each month (up to 36 months) between ages 62 and 65 and 1/300th for each month (up to 84 months) between ages 55 and 62 by which the commencement date of the Supplemental Pension precedes age 65.

4.03 Involuntary Termination without Cause: The Supplemental Pension payable upon the Participant's involuntary termination without Cause shall, without requiring approval by the Committee, be the same as that provided by Section 4.02.

4.04 Termination for Good Reason: The Supplemental Pension payable upon the Participant's termination for Good Reason after a change in control shall be as provided by Section 4.03.

4.05 Death while an Employee: The Supplemental Pension payable upon the death of the Participant while an Employee shall be as provided by Section 4.03.

4.06 Form of Supplemental Pension: The Supplemental Pension will be paid to the Participant or his Surviving Spouse at the same time and in the same form as benefits are paid under the Pension Plan, provided, however, that death or survivor benefits upon the death of the Participant are payable only to his Surviving Spouse, if any. Notwithstanding the foregoing, benefits payable pursuant to Section 4.03 ("involuntary termination without Cause"), Section 4.04 ("termination for Good Reason") or

Section 4.05 ("death while an Employee") shall not commence prior to the Participant's Normal Retirement Date except that, at his sole discretion, the Participant or his Surviving Spouse, as applicable, may elect, in the event of termination for Good Reason after a change in control or death while an Employee, to receive in a lump sum the actuarial present value of the Participant's Supplemental Pension under this Determination.

ARTICLE V. PARTICIPANTS

The Committee shall from time to time designate the Employees who

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shall be Participants for purposes of this Determination by attaching hereto a Schedule A (as amended or supplemented).

ARTICLE VI. VESTING

The Participant shall become vested in the Supplemental Pension payable pursuant to this Determination upon satisfaction of the vesting period provided in the SERP or, if applicable, as provided in Participant's Change in Control Agreement, whichever is earlier. Nothing in this Determination shall preclude the Board of Directors from making a Participant ineligible to participate in the SERP and this Determination any time before the Participant shall become vested hereunder.

ARTICLE VII. ADOPTION

This Amended Determination was approved and adopted by the Committee on December 2, 1991, and the Committee's action was ratified by the Board of Directors of the Corporation on December 3, 1991.

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THIRD AMENDED SUPPLEMENTAL ANNUAL BENEFIT DETERMINATION

AMENDED SCHEDULE A

1. H. D. McKemy
2. L. M. Tarnoski

Date of Amendment: December 2, 1991

FOURTH SUPPLEMENTAL ANNUAL BENEFIT DETERMINATION
PURSUANT TO THE VF CORPORATION AMENDED AND
RESTATED SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

ARTICLE I. PURPOSE

The purpose of this Fourth Supplemental Annual Benefit Determination (the "Determination") is to provide to designated Participants a Supplemental Pension under the VF Corporation Amended and Restated Supplemental Executive Retirement Plan (the "SERP").

ARTICLE II. DEFINITIONS

As used herein, words and phrases shall have such meanings as are set forth in the SERP, the VF Corporation Pension Plan ("Pension Plan"), and the VF Corporation Deferred Compensation Plan (the "Deferred Compensation Plan"). "Committee" shall mean the Organization and Compensation Committee of the Board of Directors of VF Corporation.

ARTICLE III. ELIGIBILITY FOR BENEFITS

The Supplemental Pension shall be payable to the Participant if his employment terminates by reason of: 1) retirement on his Normal Retirement Date, 2) termination of employment or 3) death while an Employee.

ARTICLE IV. SUPPLEMENTAL PENSION BENEFITS

4.01 NORMAL RETIREMENT: The Participants in this Determination shall receive the following Supplemental Pension payable at Normal or Late Retirement:

- (a) The Normal Retirement Benefit otherwise payable to the Participant under the Pension Plan computed without reduction for any compensation deferred by the Participant under the Deferred Compensation Plan.
- (b) The Supplemental Pension set forth in Section 4.01(a) shall be reduced by any benefits payable to the Participant under the Pension Plan.

4.02 TERMINATION OF EMPLOYMENT: The Supplemental Pension payable by reason of the Participant's termination of employment shall be equal to the benefit provided by Section 4.01 above

multiplied by a fraction. The numerator of this fraction shall be the number of full and part years of the Participant's employment with the Corporation. The denominator of this fraction shall be the number of full and part years of the Participant's employment as if the Participant had been employed until Normal Retirement Date.

4.03 DEATH WHILE AN EMPLOYEE: The Supplemental Pension payable upon the death of the Participant while an Employee shall be as provided by Section 4.02.

4.04 FORM OF SUPPLEMENTAL PENSION: The form of benefits payable to the Participant shall be the form which has been elected under the Pension Plan unless the Participant or Beneficiary has elected a different form under this Determination. Payment of Supplemental Pension benefits hereunder shall commence at the same time as the Participant's or Beneficiary's benefits commence under the Pension Plan, and shall be subject to the same reductions for commencement of payments prior to Normal Retirement Date as apply to the recipient's benefits under the Pension Plan. Notwithstanding the foregoing, if a Participant dies while employed, his or her Beneficiary may elect to receive in a lump sum the actuarial present value (determined pursuant to the assumptions set forth in the Pension Plan) of the Participant's Supplemental Pension under this Determination.

ARTICLE V. PARTICIPANTS

The Committee designates as Participants for purposes of this Determination any Employees who participated at any time in the Deferred Compensation Plan, provided, however, that any Employees who have been designated in any other SERP Determination shall be excluded from this Determination to the extent that such other Determination provides for the Supplemental Pension set forth above.

ARTICLE VI. VESTING

The Participant shall become vested in the Supplemental Pension payable pursuant to this Determination upon satisfaction of the vesting period provided in the SERP. Nothing in this Determination shall preclude the Board of Directors from discontinuing eligibility to participate in the SERP and this Determination at any time before the Participant shall become vested hereunder.

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ARTICLE VII. ADOPTION

This Determination was approved and adopted by the Board of Directors of the Corporation on February 13, 1990, to be effective as of January 1, 1985.

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FIFTH SUPPLEMENTAL ANNUAL BENEFIT DETERMINATION
PURSUANT TO THE VF CORPORATION AMENDED AND RESTATED
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

ARTICLE I. PURPOSE

The purpose of this Fifth Supplemental Annual Benefit Determination (the "Determination") is to provide security for the payment of the Supplemental Pensions of certain designated Participants under the VF Corporation Amended and Restated Supplemental Executive Retirement Plan and the Determinations thereunder (collectively, the "SERP").

ARTICLE II. DEFINITIONS

As used herein, words and phrases shall have such meanings as are set forth in the SERP, the VF Corporation Pension Plan ("Pension Plan"), the VF Executive Deferred Savings Plan ("Executive Deferred Savings Plan") and those agreements between VF Corporation ("Corporation") and certain Executives of the Corporation providing for severance benefits upon employment termination in connection with a "change in control" of the Corporation (the "Change in Control Agreements"). "Committee" shall mean the Organization and Compensation Committee of the Board of Directors of the Corporation.

ARTICLE III. SECURING PAYMENT OF THE SUPPLEMENTAL PENSION

The Corporation shall, immediately upon and at all times following the occurrence of a change in control of the Corporation (as defined in Paragraph 2 of the Participant's Change in Control Agreement and/or Section I-4 of the Executive Deferred Savings Plan), either provide security for or fund the payment of the Supplemental Pensions described in the First, Second, Third and Seventh Supplemental Annual Benefit Determinations. The Corporation shall be obligated to fund or secure such Supplemental Pension Benefits in all events and, if possible, the security or funding shall be made in a form that will not cause such amounts to be includable in the Participant's gross income for federal income tax purposes until the taxable year or years in which such amounts are paid to the Participant under the terms of the SERP (e.g., a standby letter of credit, funded irrevocable trust, etc.). The Corporation may cease to provide the security or funding required hereunder with respect to a Participant upon the occurrence of either of the following: (1) the Participant shall have been paid his Supplemental Pension in full or (2) the Board of Directors of

the Corporation shall have adopted a resolution declaring the change in control ineffective as provided in Paragraph 2 of the Participant's Change in Control Agreement and/or Section I-4 of the Executive Deferred Savings Plan.

ARTICLE IV. ELECTION TO RECEIVE SUPPLEMENTAL PENSION BENEFIT IN A LUMP SUM AFTER A CHANGE IN CONTROL

Following the occurrence of a change in control of the Corporation, each Participant who is eligible to receive a Supplemental Pension under the First, Second, Third or Seventh Supplemental Annual Benefit Determination (or such Participant's Beneficiary(ies), if applicable) shall be entitled to elect to receive the actuarial present value of such Participant's Supplemental Pension in a lump sum payment payable 5 days from the date such written election is mailed to the Corporation's secretary. The following assumptions shall be used in calculating any such lump sum payment:

(a) An interest rate of 6%, and

(b) A life expectancy equal to the difference between (1) 85 and (2) the Participant's whole number age at the time of Participant's termination of employment.

ARTICLE V. PARTICIPANTS

The Committee designates as a Participant for purposes of this Determination any Executive who is a Participant under the First, Second, Third or Seventh Supplemental Annual Benefit Determination.

ARTICLE VI. ADOPTION

This Determination was approved and adopted by the Board of Directors of the Corporation on February 13, 1990, and amended by the Corporation on August 17,

1993, effective as of February 1, 1992, as authorized by the Board of Directors on December 3, 1991.

SEVENTH SUPPLEMENTAL ANNUAL BENEFIT DETERMINATION
PURSUANT TO THE VF CORPORATION AMENDED AND RESTATED
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

ARTICLE I. PURPOSE

The purpose of this Seventh Supplemental Annual Benefit Determination (the "Determination") is to provide to designated Participants a Supplemental Pension under the VF Corporation Amended and Restated Supplemental Executive Retirement Plan (the "SERP").

ARTICLE II. DEFINITIONS

As used herein, words and phrases shall have such meanings as are set forth in the SERP, the VF Corporation Pension Plan ("Pension Plan"), and the VF Executive Deferred Savings Plan (the "Executive Deferred Savings Plan"). "Committee" shall mean the Organization and Compensation Committee of the Board of Directors of VF Corporation.

ARTICLE III. ELIGIBILITY FOR BENEFITS

The Supplemental Pension shall be payable to the Participant if his employment terminates by reason of: 1) retirement on his Normal Retirement Date, 2) termination of employment or 3) death while an Employee.

ARTICLE IV. SUPPLEMENTAL PENSION BENEFITS

4.01 NORMAL RETIREMENT: The Participants in this Determination shall receive the following Supplemental Pension payable at Normal or Late Retirement:

- (a) The Normal Retirement Benefit otherwise payable to the Participant under the Pension Plan computed without reduction for any compensation deferred by the Participant under the Executive Deferred Savings Plan.
- (b) The Supplemental Pension set forth in Section 4.01(a) shall be reduced by any benefits payable to the Participant under the Pension Plan.

4.02 TERMINATION OF EMPLOYMENT: The Supplemental Pension payable by reason of the Participant's termination of employment shall be equal to the benefit provided by Section 4.01 above

multiplied by a fraction. The numerator of this fraction shall be the number of full and part years of the Participant's employment with the Corporation. The denominator of this fraction shall be the number of full and part years of the Participant's employment as if the Participant had been employed until Normal Retirement Date.

4.03 DEATH WHILE AN EMPLOYEE: The Supplemental Pension payable upon the death of the Participant while an Employee shall be as provided by Section 4.02.

4.04 FORM OF SUPPLEMENTAL PENSION: The form of benefits payable to the Participant shall be the form which has been elected under the Pension Plan unless the Participant or Beneficiary has elected a different form under this Determination. Payment of Supplemental Pension benefits hereunder shall commence at the same time as the Participant's or Beneficiary's benefits commence under the Pension Plan, and shall be subject to the same reductions for commencement of payments prior to Normal Retirement Date as apply to the recipient's benefits under the Pension Plan. Notwithstanding the foregoing, if a Participant dies while employed, his or her Beneficiary may elect to receive in a lump sum the actuarial present value (determined pursuant to the assumptions set forth in the Pension Plan) of the Participant's Supplemental Pension under this Determination.

ARTICLE V. PARTICIPANTS

The Committee designates as Participants for purposes of this Determination any Employees who participated at any time in the Executive Deferred Savings Plan, provided, however that any Employees who have been designated in any other SERP Determination shall be excluded from this Determination to the extent that such other Determination provides for the Supplemental Pension set forth above.

ARTICLE VI. VESTING

The Participant shall become vested in the Supplemental Pension payable pursuant to this Determination upon satisfaction of the vesting period provided in the SERP. Nothing in this Determination shall preclude the Board of Directors from discontinuing eligibility to participate in the SERP and this Determination at any time before the Participant shall become vested hereunder.

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ARTICLE VII. ADOPTION

This Determination was approved and adopted by the Corporation on August 17, 1993, effective as of February 1, 1992, as authorized by the Board of Directors on December 3, 1991.

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EIGHTH SUPPLEMENTAL ANNUAL BENEFIT DETERMINATION
PURSUANT TO THE VF CORPORATION AMENDED AND RESTATED
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

ARTICLE I. PURPOSE

The purpose of this Eighth Supplemental Annual Benefit Determination (the "Determination") is to provide to designated Participants a Supplemental Pension under the VF Corporation Amended and Restated Supplemental Executive Retirement Plan (the "SERP").

ARTICLE II. DEFINITIONS

As used herein, words and phrases shall have such meanings as are set forth in the SERP and the VF Corporation Pension Plan ("Pension Plan"). "Committee" shall mean the Organization and Compensation Committee of the Board of Directors of VF Corporation.

ARTICLE III. ELIGIBILITY FOR BENEFITS

The Supplemental Pension shall be payable to the Participant if his employment terminates by reason of: 1) retirement on his Normal Retirement Date, 2) retirement on his Early or Disability Retirement Date or 3) death while an Employee.

ARTICLE IV. SUPPLEMENTAL PENSION BENEFITS

4.01 NORMAL RETIREMENT: The Participants in this Determination shall receive the following Supplemental Pension payable at Normal or Late Retirement:

(a) The Normal Retirement Benefit otherwise payable to the Participant under the Pension Plan computed without application of the annual compensation limitation imposed under Section 401(a)(17) of the Internal Revenue Code of 1986, as amended (the "Code"), or any successor section thereto, which limits the amount of a Participant's annual compensation used in determining his benefits under the Pension Plan.

(b) The Supplemental Pension set forth in Section 4.01(a) shall be reduced by any benefits payable to the Participant under the Pension Plan.

4.02 EARLY OR DISABILITY RETIREMENT: The Supplemental Pension payable by reason of the Participant's Early or Disability Retirement shall be equal to the benefit provided by Section 4.01 above multiplied by a fraction. The numerator of this fraction shall be the number of full and part years of the Participant's employment with the Corporation. The denominator of this fraction shall be the number of full and part years of the Participant's employment as if the Participant had been employed until Normal Retirement Date.

4.03 DEATH WHILE AN EMPLOYEE: The Supplemental Pension payable upon the death of the Participant while an Employee shall be as provided by Section 4.02.

4.04 FORM OF SUPPLEMENTAL PENSION: The form of benefits payable to the Participant shall be the form which has been elected under the Pension Plan unless the Participant or Beneficiary has elected a different form under this Determination. Payment of Supplemental Pension benefits hereunder shall commence at the same time as the Participant's or Beneficiary's benefits commence under the Pension Plan, and shall be subject to the same reductions for commencement of payments prior to Normal Retirement Date as apply to the recipient's benefits under the Pension Plan. Notwithstanding the foregoing, if a Participant dies while employed, his Beneficiary may elect to receive in a lump sum the actuarial present value (determined pursuant to the assumptions set forth in the Pension Plan) of the Participant's Supplemental Pension under this Determination.

ARTICLE V. PARTICIPANTS

The Committee designates as Participants, for purposes of this Determination, any Employee who loses retirement benefits under the Pension Plan because of the Code Section 401(a)(17) limitation on the amount of annual compensation permitted to be used in calculating Pension Plan benefits and whose termination of employment is by reason of 1) retirement on his Normal Retirement Date, 2) retirement on his Early or Disability Retirement Date or 3) death while an

Employee; provided, however, that any Employee otherwise designated hereunder shall be excluded from participating in this Determination to the extent that he participates in another SERP Determination that provides for the same Supplemental Pension set forth herein.

ARTICLE VI. VESTING

The Participant shall become vested in the Supplemental Pension

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payable pursuant to this Determination upon his termination of employment by reason of 1) retirement on his Normal Retirement Date, 2) retirement on his Early or Disability Retirement Date or 3) death while an Employee. Nothing in this Determination shall preclude the Board of Directors from discontinuing eligibility to participate in the SERP and this Determination at any time before the Participant shall become vested hereunder.

ARTICLE VII. ADOPTION

This Determination was approved and adopted by the Corporation on August 17, 1993, effective as of January 1, 1989, as authorized by the Board of Directors on May 16, 1989.

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\$750,000,000

CREDIT AGREEMENT

dated as of

October 20, 1994

among

V.F. Corporation

The Banks Listed Herein

and

Morgan Guaranty Trust Company of New York,
as Agent

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CREDIT AGREEMENT

AGREEMENT dated as of October 20, 1994 among V.F. CORPORATION, the BANKS listed on the signature pages hereof and MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as Agent.

The parties hereto agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. The following terms, as used herein, have the following meanings:

"Absolute Rate Auction" means a solicitation of Money Market Quotes setting forth Money Market Absolute Rates pursuant to Section 2.03.

"Adjusted CD Rate" has the meaning set forth in Section 2.07(b).

"Adjusted London Interbank Offered Rate" has the meaning set forth in Section 2.07(c).

"Administrative Questionnaire" means, with respect to each Bank, an administrative questionnaire in the form prepared by the Agent and submitted to the Agent (with a copy to the Borrower) duly completed by such Bank.

"Affiliate" means, with reference to any Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such first Person. As used herein, the term "control" means possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Agent" means Morgan Guaranty Trust Company of New York in its capacity as agent for the Banks hereunder, and its successors in such capacity.

"Applicable Lending Office" means, with respect to any Bank, (i) in the case of its Domestic Loans, its Domestic Lending Office, (ii) in the case of its Euro-Dollar Loans, its Euro-Dollar Lending Office and (iii) in the case of its Money Market Loans, its Money Market Lending Office.

"Assessment Rate" has the meaning set forth in Section 2.07(b).

"Assignee" has the meaning set forth in Section 9.06(c).

"Bank" means each bank listed on the signature pages hereof, each Assignee which becomes a Bank pursuant to Section 9.06(c), and their respective successors.

"Base Rate" means, for any day, a rate per annum equal to the higher of (i) the Prime Rate for such day and (ii) the sum of 1/2 of 1% plus the Federal Funds Rate for such day.

"Base Rate Loan" means a Committed Loan to be made by a Bank as a Base Rate Loan in accordance with the applicable Notice of Committed Borrowing or pursuant to Article VIII.

"Benefit Arrangement" means at any time an employee benefit plan within the meaning of Section 3(3) of ERISA which is not a Plan or a Multiemployer Plan and which is maintained or otherwise contributed to by any member of the ERISA Group.

"Borrower" means V.F. Corporation, a Pennsylvania corporation, and its successors.

"Borrower's 1993 Form 10-K" means the Borrower's annual report on Form 10-K for its fiscal year ended January 1, 1994, as filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

"Borrowing" has the meaning set forth in Section 1.03.

"CD Base Rate" has the meaning set forth in Section 2.07(b).

"CD Loan" means (i) a Committed Loan to be made by a Bank as a CD Loan in accordance with the applicable Notice of Committed Borrowing or Notice of Interest Rate Election

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or (ii) an overdue amount which was a CD Loan immediately before it became overdue.

"CD Margin" has the meaning set forth in Section 2.07(b).

"CD Rate" means a rate of interest determined pursuant to Section 2.07(b) on the basis of an Adjusted CD Rate.

"Commitment" means, with respect to each Bank, the amount set forth opposite the name of such Bank on the signature pages hereof, as such amount may be reduced from time to time pursuant to Section 2.09.

"Committed Loan" means a loan made by a Bank pursuant to Section 2.01; provided that if any such Loan or Loans are combined or subdivided pursuant to a Notice of Interest Rate Election, the term "Committed Loan" shall refer to the combined principal amount resulting from such combination or to each of the separate principal amounts resulting from such subdivision, as the case may be.

"Consolidated Debt" means at any date the sum of (i) the Debt of the Borrower and its Subsidiaries, determined on a consolidated basis as of such date, plus (ii) the product obtained by multiplying five times the aggregate minimum rental commitments of the Borrower and its Subsidiaries under leases of real and personal property (other than (A) capital leases and (B) leases with remaining terms (assuming exercise by the lessee of any cancellation option) of less than one year) in effect on such date for the period from such date to and including the first anniversary of such date.

"Consolidated Net Income" means for any period the amount of consolidated net income (or loss) of the Borrower and its Subsidiaries for such period.

"Consolidated Net Worth" means at any date the consolidated stockholders' equity of the Borrower and its Subsidiaries, determined as of such date.

"Debt" of any Person means at any date, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iv) all obligations of such Person as lessee which are required to

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be capitalized in accordance with generally accepted accounting principles, (v) all Debt secured by a Lien on any asset of such Person, whether or not such Debt is otherwise an obligation of such Person, and (vi) all Debt of others Guaranteed by such Person.

"Default" means any condition or event which constitutes an Event of Default or which with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

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

"Domestic Lending Office" means, as to each Bank, its office located at its address set forth in its Administrative Questionnaire (or identified in its Administrative Questionnaire as its Domestic Lending Office) or such other office as such Bank may hereafter designate as its Domestic Lending Office by notice to the Borrower and the Agent; provided that any Bank may so designate separate Domestic Lending Offices for its Base Rate Loans, on the one hand, and its CD Loans, on the other hand, in which case all references herein to the Domestic Lending Office of such Bank shall be deemed to refer to either or both of such offices, as the context may require.

"Domestic Loans" means CD Loans or Base Rate Loans or both.

"Domestic Reserve Percentage" has the meaning set forth in Section 2.07(b).

"Effective Date" means the date this Agreement becomes effective in accordance with Section 3.01.

"Environmental Laws" means any and all federal, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or other governmental restrictions relating to the environment or to emissions, discharges or releases of pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic or hazardous substances or wastes into the environment including, without limitation, ambient air, surface water, ground water, or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, petroleum or petroleum products,

chemicals or industrial, toxic or hazardous substances or wastes or the clean-up or other remediation thereof.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute.

"ERISA Group" means the Borrower, any Subsidiary and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Borrower or any Subsidiary, are treated as a single employer under Section 414 of the Internal Revenue Code.

"Euro-Dollar Business Day" means any Domestic Business Day on which commercial banks are open for international business (including dealings in dollar deposits) in London.

"Euro-Dollar Lending Office" means, as to each Bank, its office, branch or Affiliate located at its address set forth in its Administrative Questionnaire (or identified in its Administrative Questionnaire as its Euro-Dollar Lending Office) or such other office, branch or Affiliate of such Bank as it may hereafter designate as its Euro-Dollar Lending Office by notice to the Borrower and the Agent.

"Euro-Dollar Loan" means (i) a Committed Loan to be made by a Bank as a Euro-Dollar Loan in accordance with the applicable Notice of Committed Borrowing or Notice of Interest Rate Election or (ii) an overdue amount which was a Euro-Dollar Loan before it became overdue.

"Euro-Dollar Margin" has the meaning set forth in Section 2.07(c).

"Euro-Dollar Rate" means a rate of interest determined pursuant to Section 2.07(c) on the basis of an Adjusted London Interbank Offered Rate.

"Euro-Dollar Reserve Percentage" has the meaning set forth in Section 2.07(c).

"Event of Default" has the meaning set forth in Section 6.01.

"Existing Credit Agreements" means the respective \$250,000,000 and \$500,000,000 Credit Agreements, each dated as of October 21, 1993, among the Borrower, the banks parties thereto and Morgan Guaranty Trust Company of New York, as agent, as amended to the Effective Date.

"Facility Fee Rate" means a rate per annum of (i) .10% for any day on which Level I Status exists, (ii) .12% for any day on which Level II Status exists, (iii) .14% for any day on which Level III Status exists, (iv) .175% for any day on which Level IV Status exists and (v) .25% for any day on which Level V Status exists.

"Federal Funds Rate" means, for any day, the rate per annum (rounded upward, if necessary, to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Domestic Business Day next succeeding such day, provided that (i) if such day is not a Domestic Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Domestic Business Day as so published on the next succeeding Domestic Business Day, and (ii) if no such rate is so published on such next succeeding Domestic Business Day, the Federal Funds Rate for such day shall be the average rate quoted to Morgan Guaranty Trust Company of New York on such day on such transactions as determined by the Agent.

"Fixed Rate Loans" means CD Loans or Euro-Dollar Loans or Money Market Loans (excluding Money Market LIBOR Loans bearing interest at the Base Rate pursuant to Section 8.01(a)) or any combination of the foregoing.

"Group of Loans" means at any time a group of Loans consisting of (i) all Committed Loans which are Base Rate Loans at such time or (ii) all Committed Loans which are Fixed Rate Loans of the same type having the same Interest Period at such time; provided that, if a Committed Loan of any particular Bank is converted to or made as a Base Rate Loan pursuant to Section 8.02 or 8.04, such Loan shall be included in the same Group or Groups of Loans from time to time as it would have been in if it had not been so converted or made.

"Guarantee" by any Person means any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Debt of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt (whether arising by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (ii) entered into for the

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purpose of assuring in any other manner the holder of such Debt of the payment thereof or to protect such holder against loss in respect thereof (in whole or in part), provided that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"Indemnitee" has the meaning set forth in Section 9.03(b).

"Interest Period" means: (1) with respect to each Euro-Dollar Loan, the period commencing on the date of borrowing specified in the applicable Notice of Borrowing or the date specified in the applicable Notice of Interest Rate Election and ending one, two, three, six or (subject to Section 2.07(d)) nine or twelve months thereafter, as the Borrower may elect in the applicable notice; provided that:

(a) any Interest Period which would otherwise end on a day which is not a Euro-Dollar Business Day shall be extended to the next succeeding Euro-Dollar Business Day unless such Euro-Dollar Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Euro-Dollar Business Day;

(b) any Interest Period which begins on the last Euro-Dollar Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (c) below, end on the last Euro-Dollar Business Day of a calendar month; and

(c) any Interest Period which would otherwise end after the Termination Date shall end on the Termination Date.

(2) with respect to each CD Loan, the period commencing on the date of such borrowing specified in the applicable Notice of Borrowing or the date specified in the applicable Notice of Interest Rate Election and ending 30, 60, 90 or 180 days thereafter, as the Borrower may elect in the applicable notice; provided that:

(a) any Interest Period (other than an Interest Period determined pursuant to clause (b) below) which would otherwise end on a day which is not a Euro-Dollar Business Day shall be extended to the next succeeding Euro-Dollar Business Day; and

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(b) any Interest Period which would otherwise end after the Termination Date shall end on the Termination Date.

(3) with respect to each Money Market LIBOR Loan, the period commencing on the date of borrowing specified in the applicable Notice of Borrowing and ending such whole number of months thereafter as the Borrower may elect in accordance with Section 2.03; provided that:

(a) any Interest Period which would otherwise end on a day which is not a Euro-Dollar Business Day shall be extended to the next succeeding Euro-Dollar Business Day unless such Euro-Dollar Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Euro-Dollar Business Day;

(b) any Interest Period which begins on the last Euro-Dollar Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (c) below, end on the last Euro-Dollar Business Day of a calendar month; and

(c) any Interest Period which would otherwise end after the Termination Date shall end on the Termination Date.

(4) with respect to each Money Market Absolute Rate Loan, the period

commencing on the date of borrowing specified in the applicable Notice of Borrowing and ending such number of days thereafter (but not less than seven days) as the Borrower may elect in accordance with Section 2.03; provided that:

(a) any Interest Period which would otherwise end on a day which is not a Euro-Dollar Business Day shall be extended to the next succeeding Euro-Dollar Business Day; and

(b) any Interest Period which would otherwise end after the Termination Date shall end on the Termination Date.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended, or any successor statute.

"Level I Status" exists at any date if, at such date, all of the Borrower's outstanding senior unsecured debt securities rated by S&P or Moody's are rated A or

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higher by S&P or A2 or higher by Moody's, as the case may be.

"Level II Status" exists at any date if, at such date, (i) Level I Status does not exist and (ii) all of the Borrower's outstanding senior unsecured debt securities rated by S&P or Moody's are rated A- or higher by S&P or A3 or higher by Moody's, as the case may be.

"Level III Status" exists at any date if, at such date, (i) Level I Status and Level II Status do not exist and (ii) all of the Borrower's outstanding senior unsecured debt securities rated by S&P or Moody's are rated BBB+ or higher by S&P or Baa1 or higher by Moody's, as the case may be.

"Level IV Status" exists at any date if, at such date, (i) Level I Status, Level II Status and Level III Status do not exist and (ii) all of the Borrower's outstanding senior unsecured debt securities rated by S&P or Moody's are rated BBB or higher by S&P or Baa2 or higher by Moody's, as the case may be.

"Level V Status" exists at any date if, at such date, all of the Borrower's outstanding senior unsecured debt securities rated by S&P or Moody's are rated below BBB by S&P and below Baa2 by Moody's or are not rated by S&P or Moody's, as the case may be.

"LIBOR Auction" means a solicitation of Money Market Quotes setting forth Money Market Margins based on the London Interbank Offered Rate pursuant to Section 2.03.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind, or any other type of preferential arrangement that has the practical effect of creating a security interest, in respect of such asset. For the purposes of this Agreement, the Borrower or any Subsidiary shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

"Loan" means a Domestic Loan or a Euro-Dollar Loan or a Money Market Loan and "Loans" means Domestic Loans or Euro-Dollar Loans or Money Market Loans or any combination of the foregoing.

"London Interbank Offered Rate" has the meaning set forth in Section 2.07(c).

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"Material Debt" means Debt of the Borrower and/or one or more of its Subsidiaries (other than the Notes), arising in one or more related or unrelated transactions, in an aggregate principal amount exceeding \$50,000,000.

"Material Plan" means at any time a Plan or Plans having aggregate Unfunded Liabilities in excess of \$10,000,000.

"Material Subsidiary" means at any time a Subsidiary which as of such time meets the definition of a "significant subsidiary" contained as of the date hereof in Regulation S-X of the Securities and Exchange Commission.

"Money Market Absolute Rate" has the meaning set forth in Section 2.03(d).

"Money Market Absolute Rate Loan" means a loan to be made by a Bank pursuant to an Absolute Rate Auction.

"Money Market Lending Office" means, as to each Bank, its Domestic Lending Office or such other office, branch or Affiliate of such Bank as it may hereafter designate as its Money Market Lending Office by notice to the Borrower and the Agent; provided that any Bank may from time to time by notice to the Borrower and the Agent designate separate Money Market Lending Offices for its Money Market LIBOR Loans, on the one hand, and its Money Market Absolute Rate Loans, on the other hand, in which case all references herein to the Money Market Lending Office of such Bank shall be deemed to refer to either or both of such offices, as the context may require.

"Money Market LIBOR Loan" means a loan to be made by a Bank pursuant to a LIBOR Auction (including such a loan bearing interest at the Base Rate pursuant to Section 8.01(a)).

"Money Market Loan" means a Money Market LIBOR Loan or a Money Market Absolute Rate Loan.

"Money Market Margin" has the meaning set forth in Section 2.03(d).

"Money Market Quote" means an offer by a Bank to make a Money Market Loan in accordance with Section 2.03.

"Moody's" means Moody's Investors Service, Inc., a Delaware corporation, and its successors or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency,

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"Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Required Banks, with the approval of the Borrower, by notice to the Agent and the Borrower.

"Multiemployer Plan" means at any time an employee pension benefit plan within the meaning of Section 4001(a)(3) of ERISA to which any member of the ERISA Group is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions, including for these purposes any Person which ceased to be a member of the ERISA Group during such five year period.

"Notes" means promissory notes of the Borrower, substantially in the form of Exhibit A hereto, as the same may be amended, replaced, supplemented or modified, evidencing the obligation of the Borrower to repay the Loans, and "Note" means any one of such promissory notes issued hereunder.

"Notice of Borrowing" means a Notice of Committed Borrowing (as defined in Section 2.02) or a Notice of Money Market Borrowing (as defined in Section 2.03(f)).

"Notice of Interest Rate Election" has the meaning set forth in Section 2.10.

"Parent" means, with respect to any Bank, any Person controlling such Bank.

"Participant" has the meaning set forth in Section 9.06(b).

"PBGCC" means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

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

"Plan" means at any time an employee pension benefit plan (other than a Multiemployer Plan) which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Internal Revenue Code and either (i) is maintained, or contributed to, by any member of the ERISA Group for employees of any member of the ERISA Group or (ii) has at any time within the preceding five years been maintained, or contributed to, by any Person

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which was at such time a member of the ERISA Group for employees of any Person which was at such time a member of the ERISA Group.

"Prime Rate" means the rate of interest publicly announced by Morgan Guaranty Trust Company of New York in New York City from time to time as its Prime Rate.

"Reference Banks" means PNC Bank, N.A., Credit Suisse and Morgan Guaranty Trust Company of New York.

"Regulation U" means Regulation U of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Required Banks" means at any time Banks having at least 66 2/3% of the aggregate amount of the Commitments or, if the Commitments shall have been terminated, holding Notes evidencing at least 66 2/3% of the aggregate unpaid principal amount of the Loans.

"Revolving Credit Period" means the period from and including the Effective Date to but excluding the Termination Date.

"S&P" means Standard & Poor's Corporation, a New York corporation, and its successors or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Required Banks, with the approval of the Borrower, by notice to the Agent and the Borrower.

"Significant Assets" means any assets (including, without limitation, capital stock issued by a Subsidiary or other Person) sold, leased or otherwise transferred by the Borrower or any Subsidiary other than (i) inventory and used, surplus or worn-out equipment sold in the ordinary course of business, (ii) accounts receivable having an aggregate unpaid balance at no time exceeding \$250,000,000 sold pursuant to arrangements whereby recourse to the Borrower or a Subsidiary for uncollectibility thereof is limited to an amount not exceeding 10% of the face amount of any sale and (iii) other assets having an aggregate book value during the term of this Agreement not exceeding \$500,000,000, provided that at no time shall the aggregate unpaid balance at the time of accounts receivable sold pursuant to clause (ii) plus the aggregate net book value of assets sold pursuant to clause (iii) exceed \$500,000,000.

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"Significant Subsidiary" means at any time any Subsidiary, except Subsidiaries which at such time have been designated by the Borrower (by notice to the Agent, which may be amended from time to time) as nonmaterial and which, if aggregated and considered as a single subsidiary, would not meet the definition of a "significant subsidiary" contained as of the date hereof in Regulation S-X of the Securities and Exchange Commission.

"Subsidiary" means any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by the Borrower; provided that for the purpose of determining compliance with Section 4.02, 4.05, 4.07, 4.08, 5.04, 5.06, 5.08, 5.09, 5.10, 6.01(e), 6.01(f), 6.01(g), 6.01(h) or 6.01(j), none of Central Corsetera S.A. (Belcor), Blue Bell Italiana s.r.l., Blue Bell S.A., Blue Bell Espana S.A. or Blue Bell Cote d'Ivoire shall be considered to be a Subsidiary.

"Termination Date" means October 20, 1999, or, if such day is not a Euro-Dollar Business Day, the next succeeding Euro-Dollar Business Day unless such Euro-Dollar Business Day falls in another calendar month, in which case the Termination Date shall be the next preceding Euro-Dollar Business Day.

"Trust" means the respective trusts established under those certain deeds of trust dated August 21, 1951 made by John E. Barbey and under the will of John E. Barbey, deceased.

"Unfunded Liabilities" means, with respect to any Plan at any time, the amount (if any) by which (i) the value of all benefit liabilities under such Plan, determined on a plan termination basis using the assumptions prescribed by the PBGC for purposes of Section 4044 of ERISA, exceeds (ii) the fair market value of all Plan assets allocable to such liabilities under Title IV of ERISA (excluding any accrued but unpaid contributions), all determined as of the then most recent valuation date for such Plan, but only to the extent that such excess represents a potential liability of a member of the ERISA Group to the PBGC or any other Person under Title IV of ERISA.

"Wholly-Owned Subsidiary" means any Subsidiary all of the shares of capital stock or other ownership interests of which (except directors' qualifying shares and, in the case of any Subsidiary organized in a jurisdiction outside the United States, shares not exceeding 5% of total shares)

are at the time directly or indirectly owned by the Borrower.

SECTION 1.02. Accounting Terms and Determinations. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared in accordance with generally accepted accounting principles as in effect from time to time, applied on a basis consistent (except for changes concurred in by the Borrower's independent public accountants) with the most recent audited consolidated financial statements of the Borrower and its Subsidiaries delivered to the Banks; provided that, if the Borrower notifies the Agent that the Borrower wishes to amend any covenant in Article V to eliminate the effect of any change in generally accepted accounting principles on the operation of such covenant (or if the Agent notifies the Borrower that the Required Banks wish to amend Article V for such purpose), then the Borrower's compliance with such covenant shall be determined on the basis of generally accepted accounting principles in effect immediately before the relevant change in generally accepted accounting principles became effective, until either such notice is withdrawn or such covenant is amended in a manner satisfactory to the Borrower and the Required Banks.

SECTION 1.03. Types of Borrowings. The term "Borrowing" denotes the aggregation of Loans of one or more Banks to be made to the Borrower pursuant to Article II on a single date, all of which Loans are of the same type (subject to Article VIII) and, except in the case of Base Rate Loans, have the same Interest Period or initial Interest Period. Borrowings are classified for purposes of this Agreement either by reference to the pricing of Loans comprising such Borrowing (e.g., a "Euro-Dollar Borrowing" is a Borrowing comprised of Euro-Dollar Loans) or by reference to the provisions of Article II under which participation therein is determined (i.e., a "Committed Borrowing" is a Borrowing under Section 2.01 in which all Banks participate in proportion to their Commitments, while a "Money Market Borrowing" is a Borrowing under Section 2.03 in which the Bank participants are determined on the basis of their bids in accordance therewith).

ARTICLE II

THE CREDITS

SECTION 2.01. Commitments to Lend. During the Revolving Credit Period each Bank severally agrees, on the terms and conditions set forth in this Agreement, to make loans to the Borrower pursuant to this Section from time to time in amounts such that the aggregate principal amount of Committed Loans by such Bank at any one time outstanding shall not exceed the amount of its Commitment. Each Borrowing under this Section shall be in an aggregate principal amount of \$15,000,000 or any larger multiple of \$1,000,000 (except that any such Borrowing may be in the aggregate amount available in accordance with Section 3.02(b)) and shall be made from the several Banks ratably in proportion to their respective Commitments. Within the foregoing limits, the Borrower may borrow under this Section, repay, or to the extent permitted by Section 2.11, prepay Loans and reborrow at any time during the Revolving Credit Period under this Section.

SECTION 2.02. Notice of Committed Borrowing. The Borrower shall give the Agent notice (a "Notice of Committed Borrowing") not later than (x) 12:00 Noon (New York City time) on the date of each Base Rate Borrowing, (y) 1:00 P.M. (New York City time) on the second Domestic Business Day before each CD Borrowing and (z) 1:00 P.M. (New York City time) on the third Euro-Dollar Business Day before each Euro-Dollar Borrowing, specifying:

(a) the date of such Borrowing, which shall be a Domestic Business Day in the case of a Domestic Borrowing or a Euro-Dollar Business Day in the case of a Euro-Dollar Borrowing,

(b) the aggregate amount of such Borrowing,

(c) whether the Loans comprising such Borrowing are to bear interest initially at the Base Rate or at a CD Rate or a Euro-Dollar Rate, and

(d) in the case of a Fixed Rate Borrowing, the duration of the initial Interest Period applicable thereto, subject to the provisions of the definition of Interest Period.

SECTION 2.03. Money Market Borrowings.

(a) The Money Market Option. In addition to Committed Borrowings pursuant to Section 2.01, the Borrower may, as set forth in this Section, request the Banks during the Revolving Credit Period to make offers to make Money Market Loans to the Borrower. The Banks may, but shall have no obligation to, make such offers and the Borrower may, but shall have no obligation to, accept any such offers in the manner set forth in this Section.

(b) Money Market Quote Request. When the Borrower wishes to request offers to make Money Market Loans under this Section, it shall transmit to the Agent by telex or facsimile transmission a Money Market Quote Request substantially in the form of Exhibit B hereto so as to be received no later than 1:00 P.M. (New York City time) on (x) the fourth Euro-Dollar Business Day prior to the date of Borrowing proposed therein, in the case of a LIBOR Auction or (y) the Domestic Business Day next preceding the date of Borrowing proposed therein, in the case of an Absolute Rate Auction (or, in either case, such other time or date as the Borrower and the Agent shall have mutually agreed and shall have notified to the Banks not later than the date of the Money Market Quote Request for the first LIBOR Auction or Absolute Rate Auction for which such change is to be effective) specifying:

(i) the proposed date of Borrowing, which shall be a Euro-Dollar Business Day in the case of a LIBOR Auction or a Domestic Business Day in the case of an Absolute Rate Auction,

(ii) the aggregate amount of such Borrowing, which shall be \$15,000,000 or a larger multiple of \$1,000,000,

(iii) the duration of the Interest Period applicable thereto, subject to the provisions of the definition of Interest Period, and

(iv) whether the Money Market Quotes requested are to set forth a Money Market Margin or a Money Market Absolute Rate.

The Borrower may request offers to make Money Market Loans for more than one Interest Period in a single Money Market Quote Request. No Money Market Quote Request shall be given within five Euro-Dollar Business Days (or such other number of days as the Borrower and the Agent may agree) of any other Money Market Quote Request.

(c) Invitation for Money Market Quotes. Promptly upon receipt of a Money Market Quote Request, the Agent shall send to the Banks by telex or facsimile transmission an Invitation for Money Market Quotes substantially in the form of Exhibit C hereto, which shall constitute an invitation by the Borrower to each Bank to submit Money Market Quotes offering to make the Money Market Loans to which such Money Market Quote Request relates in accordance with this Section.

(d) Submission and Contents of Money Market Quotes. (i) Each Bank may submit a Money Market Quote containing an offer or offers to make Money Market Loans in response to any Invitation for Money Market Quotes. Each Money Market Quote must comply with the requirements of this subsection (d) and must be submitted to the Agent by telex or facsimile transmission at its offices specified in or pursuant to Section 9.01 not later than 9:00 A.M. (New York City time) on (x) the third Euro-Dollar Business Day prior to the proposed date of Borrowing, in the case of a LIBOR Auction, or (y) the proposed date of Borrowing, in the case of an Absolute Rate Auction (or, in either case, such other time or date as the Borrower and the Agent shall have mutually agreed and shall have notified to the Banks not later than the date of the Money Market Quote Request for the first LIBOR Auction or Absolute Rate Auction for which such change is to be effective); provided that Money Market Quotes submitted by the Agent (or any Affiliate of the Agent) in the capacity of a Bank may be submitted, and may only be submitted, if the Agent or such Affiliate notifies the Borrower of the terms of the offer or offers contained therein not later than 15 minutes prior to the deadline for the other Banks. Subject to Articles III and VI, any Money Market Quote so made shall be irrevocable except with the written consent of the Agent given on the instructions of the Borrower.

(ii) Each Money Market Quote shall be in substantially the form of Exhibit D hereto and shall in any case specify:

(A) the proposed date of Borrowing,

(B) the principal amount of the Money Market Loan for which each such offer is being made, which principal amount (w) may be greater than or less than the Commitment of the quoting Bank, (x) must be \$5,000,000 or a larger multiple of \$1,000,000, (y) may not exceed the principal amount of Money Market Loans for which offers were requested and (z) may be subject to an aggregate limitation as to the principal amount

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of Money Market Loans for which offers being made by such quoting Bank may be accepted,

(C) in the case of a LIBOR Auction, the margin above or below the applicable London Interbank Offered Rate (the "Money Market Margin") offered for each such Money Market Loan, expressed as a percentage (specified to the nearest 1/10,000th of 1%) to be added to or subtracted from such base rate,

(D) in the case of an Absolute Rate Auction, the rate of interest per annum (specified to the nearest 1/10,000th of 1%) (the "Money Market Absolute Rate") offered for each such Money Market Loan, and

(E) the identity of the quoting Bank.

A Money Market Quote may set forth up to five separate offers by the quoting Bank with respect to each Interest Period specified in the related Invitation for Money Market Quotes.

(iii) Any Money Market Quote shall be disregarded if it:

(A) is not substantially in conformity with Exhibit D hereto or does not specify all of the information required by subsection (d)(ii);

(B) contains qualifying, conditional or similar language;

(C) proposes terms other than or in addition to those set forth in the applicable Invitation for Money Market Quotes; or

(D) arrives after the time set forth in subsection (d)(i).

(e) Notice to Borrower. Not later than 9:30 A.M. (New York City time) on the date received in accordance with subsection (d), the Agent shall notify the Borrower of the terms (x) of any Money Market Quote submitted by a Bank that is in accordance with subsection (d) and (y) of any Money Market Quote that amends, modifies or is otherwise inconsistent with a previous Money Market Quote submitted by such Bank with respect to the same Money Market Quote Request. Any such subsequent Money Market Quote shall be disregarded by the Agent unless such subsequent Money Market Quote is submitted solely to correct a manifest error in such former Money Market Quote. The Agent's notice to the

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Borrower shall specify (A) the aggregate principal amount of Money Market Loans for which offers have been received for each Interest Period specified in the related Money Market Quote Request, (B) the respective principal amounts and Money Market Margins or Money Market Absolute Rates, as the case may be, so offered and (C) if applicable, limitations on the aggregate principal amount of Money Market Loans for which offers in any single Money Market Quote may be accepted.

(f) Acceptance and Notice by Borrower. Not later than 10:00 A.M. (New York City time) on (x) the third Euro-Dollar Business Day prior to the proposed date of Borrowing, in the case of a LIBOR Auction or (y) the proposed date of Borrowing, in the case of an Absolute Rate Auction (or, in either case, such other time or date as the Borrower and the Agent shall have mutually agreed and shall have notified to the Banks not later than the date of the Money Market Quote Request for the first LIBOR Auction or Absolute Rate Auction for which such change is to be effective), the Borrower shall notify the Agent of its acceptance or non-acceptance of the offers so notified to it pursuant to subsection (e). In the case of acceptance, such notice (a "Notice of Money Market Borrowing") shall specify the aggregate principal amount of offers for each Interest Period that are accepted. The Borrower may accept any Money Market Quote in whole or in part; provided that:

(i) the aggregate principal amount of each Money Market Borrowing may not exceed the applicable amount set forth in the related Money Market Quote Request,

(ii) the principal amount of each Money Market Borrowing must be

\$15,000,000 or a larger multiple of \$1,000,000,

(iii) acceptance of offers may only be made on the basis of ascending Money Market Margins or Money Market Absolute Rates, as the case may be, provided that the Borrower may reject any offer made by a Bank which has been paid or has made demand for payment of any Taxes or Other Taxes pursuant to Section 8.04, and

(iv) the Borrower may not accept any offer that is described in subsection (d)(iii) or that otherwise fails to comply with the requirements of this Agreement.

(g) Allocation by Agent. If offers are made by two or more Banks with the same Money Market Margins or Money Market Absolute Rates, as the case may be, for a

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greater aggregate principal amount than the amount in respect of which such offers are accepted for the related Interest Period, the principal amount of Money Market Loans in respect of which such offers are accepted shall be allocated by the Agent among such Banks as nearly as possible (in multiples of \$1,000,000, as the Agent may deem appropriate) in proportion to the aggregate principal amounts of such offers. Determinations by the Agent of the amounts of Money Market Loans shall be conclusive in the absence of manifest error.

SECTION 2.04. Notice to Banks; Funding of Loans.

(a) Upon receipt of a Notice of Borrowing, the Agent shall promptly notify each Bank of the contents thereof and of such Bank's share (if any) of such Borrowing and such Notice of Borrowing shall not thereafter be revocable by the Borrower.

(b) Not later than 12:00 Noon (New York City time) on the date of each Borrowing other than a Base Rate Borrowing, and 2:00 P.M. (New York City time) on the date of each Base Rate Borrowing, each Bank participating therein shall (except as provided in subsection (c) of this Section) make available its share of such Borrowing, in Federal or other funds immediately available in New York City, to the Agent at its address referred to in Section 9.01. Unless the Agent determines that any applicable condition specified in Article III has not been satisfied, the Agent will make the funds so received from the Banks available to the Borrower at the Agent's aforesaid address.

(c) If any Bank makes a new Loan hereunder on a day on which the Borrower is to repay all or any part of an outstanding Loan from such Bank, such Bank shall apply the proceeds of its new Loan to make such repayment and only an amount equal to the difference (if any) between the amount being borrowed and the amount being repaid shall be made available by such Bank to the Agent as provided in subsection (b), or remitted by the Borrower to the Agent as provided in Section 2.12, as the case may be.

(d) Unless the Agent shall have received notice from a Bank prior to the date of any Borrowing that such Bank will not make available to the Agent such Bank's share of such Borrowing, the Agent may assume that such Bank has made such share available to the Agent on the date of such Borrowing in accordance with subsections (b) and (c) of this Section 2.04 and the Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Bank

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shall not have so made such share available to the Agent, such Bank and the Borrower severally agree to repay to the Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Agent, at (i) in the case of the Borrower, a rate per annum equal to the higher of the Federal Funds Rate and the interest rate applicable thereto pursuant to Section 2.07 and (ii) in the case of such Bank, the Federal Funds Rate; provided that the Borrower may exercise any other legal rights against such Bank. If such Bank shall repay to the Agent such corresponding amount, such amount so repaid shall constitute such Bank's Loan included in such Borrowing for purposes of this Agreement.

SECTION 2.05. Notes. (a) The Loans of each Bank shall be evidenced by a single Note payable to the order of such Bank for the account of its Applicable Lending Office in an amount equal to the aggregate unpaid principal amount of such Bank's Loans.

(b) Each Bank may, by notice to the Borrower and the Agent,

request that its Loans of a particular type be evidenced by a separate Note in an amount equal to the aggregate unpaid principal amount of such Loans. Each such Note shall be in substantially the form of Exhibit A hereto with appropriate modifications to reflect the fact that it evidences solely Loans of the relevant type. Each reference in this Agreement to the "Note" of such Bank shall be deemed to refer to and include any or all of such Notes, as the context may require.

(c) Upon receipt of each Bank's Note pursuant to Section 3.01(b), the Agent shall forward such Note to such Bank. Each Bank shall record the date, amount and type of each Loan made by it and the date and amount of each payment of principal made by the Borrower with respect thereto, and may, if such Bank so elects in connection with any transfer or enforcement of its Note, endorse on the schedule forming a part thereof appropriate notations to evidence the foregoing information with respect to each such Loan then outstanding; provided that the failure of any Bank to make any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Notes. Each Bank is hereby irrevocably authorized by the Borrower so to endorse its Note and to attach to and make a part of its Note a continuation of any such schedule as and when required.

SECTION 2.06. Maturity of Loans. Each Loan included in any Borrowing made pursuant to Section 2.01

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shall mature, and the principal amount thereof shall be due and payable, together with accrued interest thereon, on the Termination Date. Each Loan included in any Borrowing made pursuant to Section 2.03 shall mature, and the principal amount thereof shall be due and payable, together with accrued interest thereon, on the last day of the Interest Period applicable thereto.

SECTION 2.07. Interest Rates. (a) Each Base Rate Loan shall bear interest on the outstanding principal amount thereof, for each day from the date such Loan is made until it becomes due, at a rate per annum equal to the Base Rate for such day. Such interest shall be payable quarterly in arrears on the last day of each calendar quarter and, with respect to the principal amount of any Base Rate Loan converted to a CD Loan or a Euro-Dollar Loan, on each date a Base Rate Loan is so converted. Any overdue principal of or interest on any Base Rate Loan shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the sum of 1% plus the rate otherwise applicable to Base Rate Loans for such day.

(b) Each CD Loan shall bear interest on the outstanding principal amount thereof, for each day during the Interest Period applicable thereto, at a rate per annum equal to the sum of the CD Margin for such day plus the Adjusted CD Rate applicable to such Interest Period; provided that if any CD Loan shall, as a result of clause (2)(b) of the definition of Interest Period, have an Interest Period of less than 30 days, such CD Loan shall bear interest during such Interest Period at the rate applicable to Base Rate Loans during such period. Such interest shall be payable for each Interest Period on the last day thereof and, if such Interest Period is longer than 90 days, at intervals of 90 days after the first day thereof. Any overdue principal of or interest on any CD Loan shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the sum of 1% plus the higher of (i) the sum of the CD Margin plus the Adjusted CD Rate applicable to such Loan at the date such payment was due and (ii) the rate applicable to Base Rate Loans for such day.

"CD Margin" means for each day on which (i) Level I Status exists, .275%, (ii) Level II Status exists, .325%, (iii) Level III Status exists, .385%, (iv) Level IV Status exists, .45% or (v) Level V Status exists, .50%.

The "Adjusted CD Rate" applicable to any Interest Period means a rate per annum determined pursuant to the following formula:

$$ACDR = \left[\frac{CDBR}{1.00 - DRP} \right] * + AR$$

ACDR = Adjusted CD Rate
 CDBR = CD Base Rate
 DRP = Domestic Reserve Percentage
 AR = Assessment Rate

 * The amount in brackets being rounded upwards, if

necessary, to the next higher 1/100 of 1%

The "CD Base Rate" applicable to any Interest Period is the rate of interest determined by the Agent to be the average (rounded upward, if necessary, to the next higher 1/100 of 1%) of the prevailing rates per annum bid at 10:00 A.M. (New York City time) (or as soon thereafter as practicable) on the first day of such Interest Period by two or more New York certificate of deposit dealers of recognized standing for the purchase at face value from each Reference Bank of its certificates of deposit in an amount comparable to the principal amount of the CD Loan of such Reference Bank to which such Interest Period applies and having a maturity comparable to such Interest Period.

"Domestic Reserve Percentage" means for any day that percentage (expressed as a decimal) which is in effect on such day, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including without limitation any basic, supplemental or emergency reserves) for a member bank of the Federal Reserve System in New York City with deposits exceeding five billion dollars in respect of new non-personal time deposits in dollars in New York City having a maturity comparable to the related Interest Period and in an amount of \$100,000 or more. The Adjusted CD Rate shall be adjusted automatically on and as of the effective date of any change in the Domestic Reserve Percentage.

"Assessment Rate" means for any day the annual assessment rate in effect on such day which is payable by a member of the Bank Insurance Fund classified as adequately capitalized and within supervisory subgroup "A" (or a comparable successor assessment risk classification) within the meaning of 12 C.F.R. Section 327.3(e) (or any successor provision) to the Federal Deposit Insurance Corporation (or any successor) for such Corporation's (or such successor's) insuring time deposits at offices of such institution in the

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United States. The Adjusted CD Rate shall be adjusted automatically on and as of the effective date of any change in the Assessment Rate.

(c) Each Euro-Dollar Loan shall bear interest on the outstanding principal amount thereof, for each day during the Interest Period applicable thereto, at a rate per annum equal to the sum of the Euro-Dollar Margin for such day plus the Adjusted London Interbank Offered Rate applicable to such Interest Period. Such interest shall be payable for each Interest Period on the last day thereof and, if such Interest Period is longer than three months, at intervals of three months after the first day thereof.

"Euro-Dollar Margin" means for each day on which (i) Level I Status exists, .15%, (ii) Level II Status exists, .20%, (iii) Level III Status exists, .26%, (iv) Level IV Status exists, .325% or (v) Level V Status exists, .375%.

The "Adjusted London Interbank Offered Rate" applicable to any Interest Period means a rate per annum equal to the quotient obtained (rounded upwards, if necessary, to the next higher 1/100 of 1%) by dividing (i) the applicable London Interbank Offered Rate by (ii) 1.00 minus the Euro-Dollar Reserve Percentage.

The "London Interbank Offered Rate" applicable to any Interest Period is the rate of interest determined by the Agent to be the average (rounded upward, if necessary, to the next higher 1/16 of 1%) of the respective rates per annum at which deposits in dollars are offered to each of the Reference Banks in the London interbank market at approximately 11:00 A.M. (London time) two Euro-Dollar Business Days before the first day of such Interest Period in an amount approximately equal to the principal amount of the Euro-Dollar Loan of such Reference Bank to which such Interest Period is to apply and for a period of time comparable to such Interest Period.

"Euro-Dollar Reserve Percentage" means for any day that percentage (expressed as a decimal) which is in effect on such day, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement for a member bank of the Federal Reserve System in New York City with deposits exceeding five billion dollars in respect of "Eurocurrency liabilities" (or in respect of any other category of liabilities which includes deposits by reference to which the interest rate on Euro-Dollar Loans is determined or any category of extensions of credit or other assets which

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includes loans by a non-United States office of any Bank to United States

residents). The Adjusted London Interbank Offered Rate shall be adjusted automatically on and as of the effective date of any change in the Euro-Dollar Reserve Percentage.

(d) If requested to do so by the Borrower, through the Agent, at least four Euro-Dollar Business Days before the beginning of any Interest Period applicable to a Euro-Dollar Borrowing, each Bank will advise the Borrower, through the Agent, before 1:00 P.M. (New York City time) three Euro-Dollar Business Days preceding the beginning of such Interest Period as to (i) whether, if the Borrower selects a duration of nine or twelve months for such Interest Period, such Bank expects that deposits in dollars with a term corresponding to such Interest Period will be available to it in the London interbank market two Euro-Dollar Business Days preceding such Interest Period in the amount required to fund its Euro-Dollar Loan to which such Interest Period would apply and, if so, (ii) the interest rate which such Bank would have been required to pay as of 11:00 A.M. (London time) on such third Euro-Dollar Business Day to obtain such deposits. If, but only if, all of the Banks confirm that they expect such deposits to be available to them, the Borrower shall be entitled to select a duration of nine or twelve months for such Interest Period pursuant to Section 2.02(a), in which event (i) each Bank shall advise the Agent as to the interest rate per annum at which such deposits were offered to it as approximately 11:00 A.M. (London time) in the London interbank market two Euro-Dollar Business Days preceding such Interest Period and (ii) the London Interbank Offered Rate applicable to such Interest Period shall be the highest of the rates so quoted; provided that, as an alternative to the foregoing procedure, the London Interbank Offered Rate applicable to any nine or twelve month Interest Period may be established by agreement among the Borrower and all the Banks.

(e) Any overdue principal of or interest on any Euro-Dollar Loan shall bear interest, payable on demand, for each day from and including the date payment thereof was due to but excluding the date of actual payment, at a rate per annum equal to the sum of 1% plus the higher of (i) the sum of the Euro-Dollar Margin plus the Adjusted London Interbank Offered Rate applicable to such Loan at the date such payment was due and (ii) the Euro-Dollar Margin plus the quotient obtained (rounded upwards, if necessary, to the next higher 1/100 of 1%) by dividing (x) the average (rounded upward, if necessary, to the next higher 1/16 of 1%) of the respective rates per annum at which one day (or, if such amount due remains unpaid more than three

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Euro-Dollar Business Days, then for such other period of time not longer than six months as the Agent may select) deposits in dollars in an amount approximately equal to such overdue payment due to each of the Reference Banks are offered to such Reference Bank in the London interbank market for the applicable period determined as provided above by (y) 1.00 minus the Euro-Dollar Reserve Percentage (or, if the circumstances described in clause (a) or (b) of Section 8.01 shall exist, at a rate per annum equal to the sum of 1% plus the rate applicable to Base Rate Loans for such day).

(f) Subject to Section 8.01(a), each Money Market LIBOR Loan shall bear interest on the outstanding principal amount thereof, for the Interest Period applicable thereto, at a rate per annum equal to the sum of the London Interbank Offered Rate for such Interest Period (determined in accordance with Section 2.07(c) as if the related Money Market LIBOR Borrowing were a Committed Euro-Dollar Borrowing) plus (or minus) the Money Market Margin quoted by the Bank making such Loan in accordance with Section 2.03. Each Money Market Absolute Rate Loan shall bear interest on the outstanding principal amount thereof, for the Interest Period applicable thereto, at a rate per annum equal to the Money Market Absolute Rate quoted by the Bank making such Loan in accordance with Section 2.03. Such interest shall be payable for each Interest Period on the last day thereof and, if such Interest Period is longer than three months, at intervals of three months after the first day thereof. Any overdue principal of or interest on any Money Market Loan shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the sum of 1% plus the Base Rate for such day.

(g) The Agent shall determine each interest rate applicable to the Loans hereunder. The Agent shall give prompt notice to the Borrower and the participating Banks of each rate of interest so determined, and its determination thereof shall be conclusive in the absence of manifest error.

(h) Each Reference Bank agrees to use its best efforts to furnish quotations to the Agent as contemplated by this Section. If any Reference Bank does not furnish a timely quotation, the Agent shall determine the relevant interest rate on the basis of the quotation or quotations furnished by the remaining Reference Bank or Banks or, if none of such quotations is available on a timely basis, the provisions of Section 8.01 shall apply.

SECTION 2.08. Facility Fee. The Borrower shall pay to the Agent for the account of the Banks ratably a facility fee at the Facility Fee Rate. Such facility fee shall accrue (i) from and including the Effective Date to but excluding the Termination Date (or earlier date of termination of the Commitments in their entirety), on the daily aggregate amount of the Commitments (whether used or unused) and (ii) from and including the Termination Date or such earlier date of termination to but excluding the date the Loans shall be repaid in their entirety, on the daily aggregate outstanding principal amount of the Loans. Accrued facility fees shall be payable quarterly on each March 31, June 30, September 30 and December 31 and upon the date of termination of the Commitments in their entirety (and, if later, the date the Loans shall be repaid in their entirety).

SECTION 2.09. Optional Termination or Reduction of Commitments. During the Revolving Credit Period, the Borrower may, upon three Domestic Business Days' notice to the Agent (or such shorter period as the Agent may accept), (i) terminate the Commitments at any time, if no Loans (other than Money Market Loans which will mature within three months of the date of such termination) are outstanding at such time, or (ii) ratably reduce from time to time by an aggregate amount of \$15,000,000 or any larger multiple of \$1,000,000, the aggregate amount of the Commitments in excess of the aggregate outstanding principal amount of the Loans.

SECTION 2.10. Method of Electing Interest Rates. (a) The Loans included in each Committed Borrowing shall bear interest initially at the type of rate specified by the Borrower in the applicable Notice of Committed Borrowing. Thereafter, the Borrower may from time to time elect to change or continue the type of interest rate borne by each Group of Loans (subject in each case to the provisions of Article VIII), as follows:

(i) if such Loans are Base Rate Loans, the Borrower may elect to convert such Loans to CD Loans as of any Domestic Business Day or to Euro-Dollar Loans as of any Euro-Dollar Business Day;

(ii) if such Loans are CD Loans, the Borrower may elect to convert such Loans to Base Rate Loans or Euro-Dollar Loans or elect to continue such Loans as CD Loans for an additional Interest Period, in each case effective on the last day of the then current Interest Period applicable to such Loans;

(iii) if such Loans are Euro-Dollar Loans, the Borrower may elect to convert such Loans to Base Rate Loans or CD Loans or elect to continue such Loans as Euro-Dollar Loans for an additional Interest Period, in each case effective on the last day of the then current Interest Period applicable to such Loans.

Each such election shall be made by delivering a notice (a "Notice of Interest Rate Election") to the Agent at least three Euro-Dollar Business Days before the conversion or continuation selected in such notice is to be effective (unless the relevant Loans are to be converted from Domestic Loans to Domestic Loans of the other type or continued as Domestic Loans of the same type for an additional Interest Period, in which case such notice shall be delivered to the Agent at least three Domestic Business Days before such conversion or continuation is to be effective). A Notice of Interest Rate Election may, if it so specifies, apply to only a portion of the aggregate principal amount of the relevant Group of Loans; provided that (i) such portion is allocated ratably among the Loans comprising such Group and (ii) the portion to which such Notice applies, and the remaining portion to which it does not apply, are each \$15,000,000 or any larger multiple of \$1,000,000.

(b) Each Notice of Interest Rate Election shall specify:

(i) the Group of Loans (or portion thereof) to which such notice applies;

(ii) the date on which the conversion or continuation selected in such notice is to be effective, which shall comply with the applicable clause of subsection (a) above;

(iii) if the Loans comprising such Group are to be converted, the new type of Loans and, if such new Loans are Fixed Rate Loans, the duration of the initial Interest Period applicable thereto; and

(iv) if such Loans are to be continued as CD Loans or Euro-Dollar Loans for an additional Interest Period, the duration of such additional Interest Period.

Each Interest Period specified in a Notice of Interest Rate Election shall comply with the provisions of the definition of Interest Period.

(c) Upon receipt of a Notice of Interest Rate Election from the Borrower pursuant to subsection (a) above,

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the Agent shall promptly notify each Bank of the contents thereof and such notice shall not thereafter be revocable by the Borrower. If the Borrower fails to deliver a timely Notice of Interest Rate Election to the Agent for any Group of Fixed Rate Loans, such Loans shall be converted into Base Rate Loans on the last day of the then current Interest Period applicable thereto.

SECTION 2.11. Optional Prepayments. (a) The Borrower may, upon at least one Domestic Business Day's notice to the Agent, prepay the Group of Base Rate Loans (or any Money Market Borrowing bearing interest at the Base Rate pursuant to Section 8.01(a)) in whole at any time, or from time to time in part in amounts aggregating \$15,000,000 or any larger multiple of \$1,000,000, by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment.

(b) The Borrower may, upon at least three Domestic Business Days' notice to the Agent, in the case of a Group of CD Loans, or upon at least three Euro-Dollar Business Days' notice to the Agent, in the case of a Group of Euro-Dollar Loans, prepay the Loans comprising such a Group on the last day of any Interest Period applicable to such Group, in whole at any time, or from time to time in part in amounts aggregating \$15,000,000 or any larger multiple of \$1,000,000, by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment.

(c) Except as provided in subsection (a) above, the Borrower may not prepay all or any portion of the principal amount of any Money Market Loan prior to the maturity thereof.

(d) Upon receipt of a notice of prepayment pursuant to this Section, the Agent shall promptly notify each Bank of the contents thereof and of such Bank's ratable share (if any) of such prepayment and such notice shall not thereafter be revocable by the Borrower. Each such optional prepayment shall be applied to prepay ratably the Loans of the several Banks included in the relevant Group or Borrowing.

SECTION 2.12. General Provisions as to Payments. (a) The Borrower shall make each payment of principal of, and interest on, the Loans and of fees hereunder, not later than 12:00 Noon (New York City time) on the date when due, in Federal or other funds immediately available in New York City, to the Agent at its address referred to in Section 9.01. The Agent will promptly distribute to each Bank its

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ratable share of each such payment received by the Agent for the account of the Banks. Whenever any payment of principal of, or interest on, the Domestic Loans or of fees shall be due on a day which is not a Domestic Business Day, the date for payment thereof shall be extended to the next succeeding Domestic Business Day. Whenever any payment of principal of, or interest on, the Euro-Dollar Loans shall be due on a day which is not a Euro-Dollar Business Day, the date for payment thereof shall be extended to the next succeeding Euro-Dollar Business Day unless such Euro-Dollar Business Day falls in another calendar month, in which case the date for payment thereof shall be the next preceding Euro-Dollar Business Day. Whenever any payment of principal of, or interest on, the Money Market Loans shall be due on a day which is not a Euro-Dollar Business Day, the date for payment thereof shall be extended to the next succeeding Euro-Dollar Business Day. If the date for any payment of principal is extended by operation of law or otherwise, interest thereon shall be payable for such extended time.

(b) Unless the Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Banks hereunder that the Borrower will not make such payment in full, the Agent may assume that the Borrower has made such payment in full to the Agent on such date and the Agent may, in reliance upon such assumption, cause to be distributed to each Bank on such due date an amount equal to the amount then due such Bank. If and to the extent that the Borrower shall not have so made such payment, each Bank shall repay to the Agent forthwith on demand such amount distributed to such Bank together with interest thereon, for each day from the date such amount is distributed to such Bank until the date such Bank repays such amount to the Agent, at the Federal Funds Rate.

SECTION 2.13. Funding Losses. If the Borrower makes or causes to be made any payment of principal with respect to any Fixed Rate Loan or any Fixed Rate Loan is converted to a Base Rate Loan (pursuant to Article VI or VIII or otherwise) on any day other than the last day of an Interest Period applicable thereto, or the last day of an applicable period fixed pursuant to Section 2.07(e), or if the Borrower fails to borrow or prepay any Fixed Rate Loans after notice has been given to any Bank in accordance with Section 2.04(a) or 2.11(d), the Borrower shall reimburse each Bank within 15 days after demand for any resulting loss or expense incurred by it (or by an existing or prospective Participant in the related Loan), including (without limitation) any loss incurred in obtaining, liquidating or employing deposits from third parties, but excluding loss of margin for the period after any such payment or conversion

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or failure to borrow or prepay, provided that such Bank shall have delivered to the Borrower a certificate as to the amount of such loss or expense, which certificate shall be conclusive in the absence of manifest error.

SECTION 2.14. Computation of Interest and Fees. Interest based on the Prime Rate hereunder shall be computed on the basis of a year of 365 days (or 366 days in a leap year) and paid for the actual number of days elapsed (including the first day but excluding the last day). All other interest and fees shall be computed on the basis of a year of 360 days and paid for the actual number of days elapsed (including the first day but excluding the last day).

ARTICLE III

CONDITIONS

SECTION 3.01. Effectiveness. This Agreement shall become effective on the date that each of the following conditions shall have been satisfied (or waived in accordance with Section 9.05):

(a) receipt by the Agent of counterparts hereof signed by each of the parties hereto (or, in the case of any party as to which an executed counterpart shall not have been received, receipt by the Agent in form satisfactory to it of facsimile transmission, telegraphic, telex or other written confirmation from such party of execution of a counterpart hereof by such party);

(b) receipt by the Agent for the account of each Bank of a duly executed Note dated on or before the Effective Date complying with the provisions of Section 2.05;

(c) receipt by the Agent of an opinion of Clark, Ladner, Fortenbaugh & Young, counsel for the Borrower, substantially in the form of Exhibit E hereto and covering such additional matters relating to the transactions contemplated hereby as the Required Banks may reasonably request;

(d) receipt by the Agent of an opinion of Davis Polk & Wardwell, special counsel for the Agent, substantially in the form of Exhibit F hereto and covering such additional matters relating to the

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transactions contemplated hereby as the Required Banks may reasonably request;

(e) receipt by the Agent of a certificate signed by the chief financial officer, chief accounting officer or the treasurer of the Borrower, dated the Effective Date, to the effect set forth in clause (f) of this Section 3.01 and clauses (c) and (d) of Section 3.02;

(f) the fact that all principal of and interest on any loans outstanding under, and all accrued fees payable under, the Existing Credit Agreements shall have been paid in full on or prior to the Effective Date; and

(g) receipt by the Agent of all documents it may reasonably request relating to the existence of the Borrower, the corporate authority for and the validity of this Agreement and the Notes, and any other matters relevant hereto, all in form and substance satisfactory to the Agent;

provided that this Agreement shall not become effective or be binding on any party hereto unless all of the foregoing conditions are satisfied not later than October 31, 1994. The Agent shall promptly notify the Borrower and the Banks of the Effective Date, and such notice shall be conclusive and binding on all parties hereto. The Banks that are parties to the Existing Credit Agreements, comprising the "Required Banks" as defined therein, and the Borrower agree that the commitments under the Existing Credit Agreements shall terminate in their entirety simultaneously with and subject to the effectiveness of this Agreement and that the Borrower shall be obligated to pay the accrued facility fees thereunder to but excluding the date of such effectiveness.

SECTION 3.02. Borrowings. The obligation of any Bank to make a Loan on the occasion of any Borrowing is subject to the satisfaction of the following conditions:

(a) receipt by the Agent of a Notice of Borrowing as required by Section 2.02 or 2.03, as the case may be;

(b) the fact that, immediately before and after such Borrowing, the aggregate outstanding principal amount of the Loans will not exceed the aggregate amount of the Commitments;

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(c) the fact that, immediately after such Borrowing, no Default shall have occurred and be continuing; and

(d) the fact that the representations and warranties of the Borrower contained in this Agreement shall be true on and as of the date of such Borrowing.

Each Borrowing hereunder shall be deemed to be a representation and warranty by the Borrower on the date of such Borrowing as to the facts specified in clauses (b), (c) and (d) of this Section.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants that:

SECTION 4.01. Corporate Existence and Power. The Borrower is a corporation duly incorporated, validly existing and in good standing under the laws of Pennsylvania, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

SECTION 4.02. Corporate and Governmental Authorization; No Contravention. The execution, delivery and performance by the Borrower of this Agreement and the Notes are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, require no action by or in respect of, or filing with, any governmental body, agency or official and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the certificate of incorporation or by-laws of the Borrower or of any agreement, judgment, injunction, order, decree or other instrument binding upon the Borrower or any of its Subsidiaries or result in the creation or imposition of any Lien on any asset of the Borrower or any of its Subsidiaries.

SECTION 4.03. Binding Effect. This Agreement constitutes a valid and binding agreement of the Borrower and each Note, when executed and delivered in accordance with this Agreement, will constitute a valid and binding obligation of the Borrower, in each case enforceable in accordance with its terms.

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SECTION 4.04. Financial Information.

(a) The consolidated balance sheet of the Borrower and its Subsidiaries as of January 1, 1994 and the related consolidated statements of earnings, retained earnings and cash flow for the fiscal year then ended, reported on by Ernst & Young and set forth in the Borrower's 1993 Form 10-K, a copy of which has been delivered to each of the Banks, fairly present, in conformity with generally accepted accounting principles, the consolidated financial position of the Borrower and its Subsidiaries as of such date and

their consolidated results of operations and cash flows for such fiscal year.

(b) The unaudited consolidated balance sheet of the Borrower and its Subsidiaries as of July 2, 1994 and the related unaudited consolidated statements of earnings, retained earnings and cash flow for the six months then ended, set forth in the Borrower's quarterly report for the fiscal quarter ended July 2, 1994 as filed with the Securities and Exchange Commission on Form 10-Q, a copy of which has been delivered to each of the Banks, fairly present, in conformity with generally accepted accounting principles applied on a basis consistent with the financial statements referred to in subsection (a) of this Section, the consolidated financial position of the Borrower and its Subsidiaries as of such date and their consolidated results of operations and cash flows for such six-month period (subject to normal year-end adjustments).

(c) Since July 2, 1994 there has been no material adverse change in the business, financial position, results of operations or prospects of the Borrower and its Subsidiaries, considered as a whole.

SECTION 4.05. Litigation. Except as specified in Schedule I hereto, there is no action, suit or proceeding pending against, or to the knowledge of the Borrower threatened against or affecting, the Borrower or any of its Subsidiaries before any court or arbitrator or any governmental body, agency or official in which there is a reasonable possibility of an adverse decision which could materially adversely affect the business, consolidated financial position or consolidated results of operations of the Borrower and its Subsidiaries, considered as a whole, or which in any manner draws into question the validity of this Agreement or the Notes.

SECTION 4.06. Compliance with ERISA. Each member of the ERISA Group has fulfilled its obligations under the minimum funding standards of ERISA and the Internal Revenue

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Code with respect to each Plan and is in compliance in all material respects with the presently applicable provisions of ERISA and the Internal Revenue Code with respect to each Plan. No member of the ERISA Group has (i) sought a waiver of the minimum funding standard under Section 412 of the Internal Revenue Code in respect of any Plan, (ii) failed to make any contribution or payment to any Plan or Multiemployer Plan or in respect of any Benefit Arrangement, or made any amendment to any Plan or Benefit Arrangement, which has resulted or could result in the imposition of a Lien or the posting of a bond or other security under ERISA or the Internal Revenue Code or (iii) incurred any liability under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA.

SECTION 4.07. Environmental Matters. In the ordinary course of its business, the Borrower conducts periodic reviews, which it considers prudent and reasonable in light of the nature of the business, of the effect of Environmental Laws on the business, operations and properties of the Borrower and its Subsidiaries, in the course of which it identifies and evaluates associated liabilities and costs (including, without limitation, any capital or operating expenditures required for clean-up or closure of properties presently or previously owned, any capital or operating expenditures required to achieve or maintain compliance with environmental protection standards imposed by law or as a condition of any license, permit or contract, any related constraints on operating activities, including any periodic or permanent shutdown of any facility or reduction in the level of or change in the nature of operations conducted thereat and any actual or potential liabilities to third parties, including employees, and any related costs and expenses). On the basis of this review, the Borrower has reasonably concluded that Environmental Laws are unlikely to have a material adverse effect on the business, financial condition, results of operations or prospects of the Borrower and its Subsidiaries, considered as a whole.

SECTION 4.08. Taxes. The Borrower and its Significant Subsidiaries have filed all United States Federal income tax returns and all other material tax returns which are required to be filed by them and have paid all taxes due pursuant to such returns or pursuant to any assessment received by the Borrower or any Significant Subsidiary, except for such amounts as may be contested in good faith by appropriate proceedings, so long as collection thereof is effectively stayed. The charges, accruals and reserves on the books of the Borrower and its Subsidiaries

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in respect of taxes or other governmental charges are, in the reasonable opinion of the Borrower, adequate.

SECTION 4.09. Subsidiaries. Each of the Borrower's Material Subsidiaries is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

SECTION 4.10. Not an Investment Company. The Borrower is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

SECTION 4.11. Full Disclosure. All information heretofore furnished by the Borrower to the Agent or any Bank for purposes of or in connection with this Agreement or any transaction contemplated hereby is, and all such information hereafter furnished by the Borrower to the Agent or any Bank will be, true and accurate in every material respect or based on reasonable estimates on the date as of which such information is stated or certified. The Borrower has disclosed to the Banks in writing any and all facts which materially and adversely affect or may affect (to the extent the Borrower can now reasonably foresee), the business, operations, prospects or condition, financial or otherwise, of the Borrower and its Subsidiaries, considered as a whole, or the ability of the Borrower to perform its obligations under this Agreement.

ARTICLE V

COVENANTS

The Borrower agrees that, so long as any Bank has any Commitment hereunder or any amount payable under any Note remains unpaid:

SECTION 5.01. Information. The Borrower will deliver to each of the Banks:

(a) as soon as available and in any event within 90 days after the end of each fiscal year of the Borrower, a consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such fiscal year and the related consolidated statements of earnings, retained earnings and cash flows for such fiscal year, setting forth in each case in comparative form the

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figures for the previous fiscal year, all certified as to fairness of presentation, generally accepted accounting principles and consistency by Ernst & Young or other independent public accountants of nationally recognized standing;

(b) as soon as available and in any event within 45 days after the end of each of the first three quarters of each fiscal year of the Borrower, a consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such quarter and the related consolidated statements of earnings, retained earnings and cash flows for such quarter and for the portion of the Borrower's fiscal year ended at the end of such quarter, setting forth in each case in comparative form the figures for the corresponding quarter and the corresponding portion of the Borrower's previous fiscal year, all certified (subject to normal year-end adjustments) as to fairness of presentation, generally accepted accounting principles and consistency by the chief financial officer or the chief accounting officer or the treasurer of the Borrower;

(c) simultaneously with the delivery of each set of financial statements referred to in clauses (a) and (b) above, a certificate of the chief financial officer, the chief accounting officer or the treasurer of the Borrower (i) setting forth in reasonable detail the calculations required to establish whether the Borrower was in compliance with the requirements of Sections 5.02 to 5.06, inclusive, on the date of such financial statements and (ii) stating whether there exists on the date of such certificate any Default and, if any Default then exists, setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto;

(d) simultaneously with the delivery of each set of financial statements referred to in clause (a) above, a statement of the firm of independent public accountants which reported on such statements (i) whether anything has come to their attention to cause them to believe that there existed on the date of such statements any Default and (ii) confirming the calculations set forth in the officer's certificate delivered simultaneously therewith pursuant to clause (c) above;

(e) forthwith upon the occurrence of any Default, a certificate

of the chief financial officer, the chief accounting officer or the treasurer of the Borrower

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setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto;

(f) promptly upon the mailing thereof to the shareholders of the Borrower generally, copies of all financial statements, reports and proxy statements so mailed;

(g) promptly upon the filing thereof, copies of all registration statements (other than the exhibits thereto and any registration statements on Form S-8 or its equivalent) and reports on Forms 10-K, 10-Q and 8-K (or their equivalents) which the Borrower shall have filed with the Securities and Exchange Commission;

(h) if and when any member of the ERISA Group (i) gives or is required to give notice to the PBGC of any "reportable event" (as defined in Section 4043 of ERISA) with respect to any Plan which might constitute grounds for a termination of such Plan under Title IV of ERISA, or knows that the plan administrator of any Plan has given or is required to give notice of any such reportable event, a copy of the notice of such reportable event given or required to be given to the PBGC; (ii) receives notice of complete or partial withdrawal liability under Title IV of ERISA or notice that any Multiemployer Plan is in reorganization, is insolvent or has been terminated, a copy of such notice; (iii) receives notice from the PBGC under Title IV of ERISA of an intent to terminate, impose liability (other than for premiums under Section 4007 of ERISA) in respect of, or appoint a trustee to administer, any Plan, a copy of such notice; (iv) applies for a waiver of the minimum funding standard under Section 412 of the Internal Revenue Code, a copy of such application; (v) gives notice of intent to terminate any Plan under Section 4041(c) of ERISA, a copy of such notice and other information filed with the PBGC; (vi) gives notice of withdrawal from any Plan pursuant to Section 4063 of ERISA, a copy of such notice; or (vii) fails to make any payment or contribution to any Plan or Multiemployer Plan or in respect of any Benefit Arrangement or makes any amendment to any Plan or Benefit Arrangement which has resulted or could result in the imposition of a Lien or the posting of a bond or other security, a certificate of the chief financial officer, treasurer or the chief accounting officer of the Borrower setting forth details as to such occurrence and action, if any, which the Borrower or

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applicable member of the ERISA Group is required or proposes to take; and

(i) from time to time such additional information regarding the financial position or business of the Borrower and its Subsidiaries as the Agent, at the request of any Bank, may reasonably request.

SECTION 5.02. Debt. At no time will the ratio of Consolidated Debt to Consolidated Net Worth exceed 2:1.

SECTION 5.03. Minimum Consolidated Net Worth. Consolidated Net Worth will not at any time be less than the "Minimum Compliance Level." The Minimum Compliance Level shall be \$875,000,000, adjusted at the end of each fiscal quarter of the Borrower, beginning with and including the Borrower's fiscal quarter ending October 1, 1993, upward by an amount equal to 40% of the Consolidated Net Income (if positive) for such fiscal quarter. The foregoing increases in the Minimum Compliance Level shall be fully cumulative, and no reduction shall be made on account of any negative Consolidated Net Income for any fiscal quarter.

SECTION 5.04. Negative Pledge. Neither the Borrower nor any Subsidiary will create, assume or suffer to exist any Lien on any asset now owned or hereafter acquired by it, except:

(a) Liens existing on the date of this Agreement securing Debt outstanding on the date of this Agreement in an aggregate principal amount not exceeding \$25,000,000;

(b) any Lien existing on any asset of any corporation at the time such corporation becomes a Subsidiary and not created in contemplation of such event;

(c) any Lien on any asset securing Debt incurred or assumed for the purpose of financing all or any part of the cost of acquiring such

asset, provided that such Lien attaches to such asset concurrently with or within 90 days after the acquisition thereof;

(d) any Lien on any asset of any corporation existing at the time such corporation is merged or consolidated with or into the Borrower or a Subsidiary and not created in contemplation of such event;

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(e) any Lien existing on any asset prior to the acquisition thereof by the Borrower or a Subsidiary and not created in contemplation of such acquisition;

(f) any Lien arising out of the refinancing, extension, renewal or refunding of any Debt secured by any Lien permitted by any of the foregoing clauses of this Section, provided that such Debt is not increased and is not secured by any additional assets;

(g) Liens arising in the ordinary course of its business which (i) do not secure Debt, (ii) do not secure any obligation in an amount exceeding \$50,000,000 and (iii) do not in the aggregate materially detract from the value of its assets or materially impair the use thereof in the operation of its business;

(h) any Lien on any asset of a Subsidiary securing Debt owed to the Borrower or a Wholly-Owned Subsidiary; and

(i) Liens not otherwise permitted by the foregoing clauses of this Section securing Debt in an aggregate principal amount at any time outstanding not to exceed 5% of Consolidated Net Worth.

SECTION 5.05. Consolidations, Mergers and Sales of Assets. The Borrower will not (i) consolidate or merge with or into any other Person; provided that the Borrower may merge with another Person if (A) the Borrower is the corporation surviving such merger and is not a subsidiary of another person and (B) immediately after giving effect to such merger, no Default shall have occurred and be continuing; or (ii) sell, lease or otherwise transfer, directly or indirectly, Significant Assets to any other Person, except for sales, leases and other transfers to a Wholly-Owned Subsidiary.

SECTION 5.06. Limitation on Subsidiary Debt. The Borrower will not permit any Subsidiary to become or be liable in respect of any Debt except:

(a) Debt of any corporation outstanding at the time such corporation becomes a Subsidiary and not created in contemplation of such event;

(b) Debt of any corporation outstanding at the time such corporation is merged or consolidated with or into a Subsidiary and not created in contemplation of such event;

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(c) Debt secured by a Lien permitted by Section 5.04;

(d) Debt owing to the Borrower or a Wholly-Owned Subsidiary; and

(e) Debt not otherwise permitted by the foregoing clauses of this Section in an aggregate outstanding principal amount for all Subsidiaries at no time exceeding \$150,000,000.

The foregoing is subject to the further limitations that (i) for purposes of this Section, any preferred stock of a Subsidiary held by a Person other than the Borrower or a Wholly-Owned Subsidiary shall be included, at the higher of its voluntary or involuntary liquidation value, in the Debt of such Subsidiary; and (ii) Debt permitted by this Section does not include a refunding, renewal or extension of such Debt (so that any such new Debt must fall independently within one of the above exceptions).

SECTION 5.07. Use of Proceeds. The proceeds of the Loans made under this Agreement will be used by the Borrower for general corporate purposes, including, without limitation, acquisitions and repurchases of outstanding shares of its common stock. None of such proceeds will be used in violation of applicable law.

SECTION 5.08. Maintenance of Property; Insurance. The Borrower will keep, and will cause each Subsidiary to keep, all property useful and necessary in its business in good working order and condition, ordinary wear and tear excepted; will maintain, and will cause each Subsidiary to maintain

(either in the name of the Borrower or in such Subsidiary's own name) with financially sound and reputable insurance companies, insurance on all their property in at least such amounts and against at least such risks as are usually insured against in the same general area by companies of established repute engaged in the same or a similar business; provided that the Borrower shall have the right to self-insure or use a captive insurer in order to meet such insurance requirements so long as the Borrower or such captive insurer provides the Banks with reasonable proof of financial responsibility. The Borrower will furnish to the Banks, upon written request from the Agent, full information as to the insurance carried.

SECTION 5.09. Payment of Taxes. The Borrower will pay, and will cause each Significant Subsidiary to pay, all their respective tax liabilities, except where the same may be contested in good faith by appropriate proceedings,

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and will maintain, and will cause each Significant Subsidiary to maintain, in accordance with generally accepted accounting principles, appropriate reserves for the accrual of the same.

SECTION 5.10. Compliance with Laws. The Borrower will comply, and cause each Subsidiary to comply, in all material respects with all applicable laws, ordinances, rules, regulations, and requirements of governmental authorities (including, without limitation, Environmental Laws and ERISA and the rules and regulations thereunder) except where (i) the necessity of compliance therewith is contested in good faith by appropriate proceedings or (ii) appropriate steps are being taken to correct any failure to comply therewith and such failure does not have a material adverse effect on the business, consolidated financial position or consolidated results of operations of the Borrower and its Subsidiaries.

ARTICLE VI

DEFAULTS

SECTION 6.01. Events of Default. If one or more of the following events ("Events of Default") shall have occurred and be continuing:

(a) the Borrower shall fail to pay any principal of any Loan when due, or interest on any Loan, any fees or any other amount payable hereunder within five days of the due date thereof;

(b) the Borrower shall fail to observe or perform any covenant contained in Sections 5.02 to 5.07, inclusive;

(c) the Borrower shall fail to observe or perform any covenant or agreement contained in this Agreement (other than those covered by clause (a) or (b) above) for 20 days after notice thereof has been given to the Borrower by the Agent at the request of any Bank;

(d) any representation, warranty, certification or statement made by the Borrower in this Agreement or in any certificate, financial statement or other document delivered pursuant to this Agreement shall prove to have been incorrect in any material respect when made (or deemed made);

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(e) the Borrower or any Subsidiary shall fail to make any payment in respect of any Material Debt when due or within any applicable grace period;

(f) any event or condition shall occur which results in the acceleration of the maturity of any Material Debt or enables the holder of such Debt or any Person acting on such holder's behalf to accelerate the maturity thereof;

(g) the Borrower or any Significant Subsidiary shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it,

or shall make a general assignment for the benefit of creditors, or shall fail generally or admits in writing its inability to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing;

(h) an involuntary case or other proceeding shall be commenced against the Borrower or any Significant Subsidiary seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 days; or an order for relief shall be entered against the Borrower or any Significant Subsidiary under the federal bankruptcy laws as now or hereafter in effect;

(i) any member of the ERISA Group shall fail to pay when due an amount or amounts aggregating in excess of \$10,000,000 which it shall have become liable to pay under Title IV of ERISA; or notice of intent to terminate a Material Plan shall be filed under Title IV of ERISA by any member of the ERISA Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate, to impose liability (other than for

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premiums under Section 4007 of ERISA) in respect of, or to cause a trustee to be appointed to administer any Material Plan; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Material Plan must be terminated; or there shall occur a complete or partial withdrawal from, or a default, within the meaning of Section 4219(c)(5) of ERISA, with respect to, one or more Multiemployer Plans which could cause one or more members of the ERISA Group to incur a current payment obligation in excess of \$10,000,000;

(j) a judgment or order for the payment of money in excess of \$10,000,000 shall be rendered against the Borrower or any Subsidiary and such judgment or order shall continue unsatisfied and the execution or enforcement thereof shall no longer be effectively stayed for a period of 10 days (or such other period of time as may be provided under applicable state law for obtaining a stay of judgment); or

(k) (i) any person or group of persons (within the meaning of Section 13 or 14 of the Securities Exchange Act of 1934, as amended, and the regulations thereunder), other than the Trust, shall have acquired beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under said Act) of 35% or more of the outstanding shares of voting stock of the Borrower; or (ii) as of any date a majority of the Board of Directors of the Borrower consists of individuals who were not either (A) directors of the Borrower as of the corresponding date of the previous year, (B) selected or nominated to become directors by the Board of Directors of the Borrower of which a majority consisted of individuals described in clause (A), or (C) selected or nominated to become directors by the Board of Directors of the Borrower of which a majority consisted of individuals described in clauses (A) and (B);

then and in every such event, the Agent shall (i) if requested by Banks having more than 50% in aggregate amount of the Commitments, by notice to the Borrower terminate the Commitments and they shall thereupon terminate, and (ii) if requested by Banks holding Notes evidencing more than 50% in aggregate principal amount of the Loans, by notice to the Borrower declare the Notes (together with accrued interest thereon) to be, and the Notes shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; provided that in the case of any of

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the Events of Default specified in clause (g) or (h) above with respect to the Borrower, without any notice to the Borrower or any other act by the Agent or the Banks, the Commitments shall thereupon terminate and the Notes (together with accrued interest thereon) shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

SECTION 6.02. Notice of Default. The Agent shall give notice to the Borrower under Section 6.01(c) promptly upon being requested to do so by any Bank and shall thereupon notify all the Banks thereof.

ARTICLE VII

THE AGENT

SECTION 7.01. Appointment and Authorization. Each Bank irrevocably appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under this Agreement and the Notes as are delegated to the Agent by the terms hereof or thereof, together with all such powers as are reasonably incidental thereto.

SECTION 7.02. Agent and Affiliates. Morgan Guaranty Trust Company of New York shall have the same rights and powers under this Agreement as any other Bank and may exercise or refrain from exercising the same as though it were not the Agent, and Morgan Guaranty Trust Company of New York and its Affiliates may accept deposits from, lend money to, and generally engage in any kind of business with the Borrower or any Subsidiary or Affiliate of the Borrower as if it were not the Agent hereunder.

SECTION 7.03. Action by Agent. The obligations of the Agent hereunder are only those expressly set forth herein. Without limiting the generality of the foregoing, the Agent shall not be required to take any action with respect to any Default, except as expressly provided in Article VI.

SECTION 7.04. Consultation with Experts. The Agent may consult with legal counsel (who may be counsel for the Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken by it in good faith in accordance with the advice of such counsel, accountants or experts.

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SECTION 7.05. Liability of Agent. Neither the Agent nor any of its Affiliates nor any of their respective directors, officers, agents or employees shall be liable for any action taken or not taken by it in connection herewith (i) with the consent or at the request of the Required Banks or (ii) in the absence of its own gross negligence or willful misconduct. Neither the Agent nor any of its Affiliates nor any of their respective directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into or verify (i) any statement, warranty or representation made in connection with this Agreement or any borrowing hereunder; (ii) the performance or observance of any of the covenants or agreements of the Borrower; (iii) the satisfaction of any condition specified in Article III, except receipt of items required to be delivered to the Agent; or (iv) the validity, effectiveness or genuineness of this Agreement, the Notes or any other instrument or writing furnished in connection herewith. The Agent shall not incur any liability by acting in reliance upon any notice, consent, certificate, statement, or other writing (which may be a bank wire, telex or similar writing) believed by it to be genuine or to be signed by the proper party or parties.

SECTION 7.06. Indemnification. Each Bank shall, ratably in accordance with its Commitment, indemnify the Agent, its Affiliates and their respective directors, officers, agents and employees (to the extent not reimbursed by the Borrower) against any cost, expense (including counsel fees and disbursements), claim, demand, action, loss or liability (except such as result from such indemnitees' gross negligence or willful misconduct) that such indemnitees may suffer or incur in connection with this Agreement or any action taken or omitted by such indemnitees hereunder.

SECTION 7.07. Credit Decision. Each Bank acknowledges that it has, independently and without reliance upon the Agent or any other Bank, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Bank also acknowledges that it will, independently and without reliance upon the Agent or any other Bank, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking any action under this Agreement.

SECTION 7.08. Successor Agent. The Agent may resign at any time by giving notice thereof to the Banks and the Borrower. Upon any such resignation, the Required Banks

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shall have the right with the consent of the Borrower to appoint a successor Agent. If no successor Agent shall have been so appointed by the Required

Banks with the consent of the Borrower and shall have accepted such appointment, within 30 days after the retiring Agent's giving of notice of resignation, then the retiring Agent may, on behalf of the Banks and in consultation with the Borrower, appoint a successor Agent, which shall be a commercial bank organized or licensed under the laws of the United States of America or of any State thereof and having a combined capital and surplus of at least \$50,000,000. Upon the acceptance of its appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder. After any retiring Agent's resignation hereunder as Agent, the provisions of this Article shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent.

SECTION 7.09. Agent's Fee. The Borrower shall pay to the Agent for its own account fees in the amounts and at the times previously agreed upon between the Borrower and the Agent.

ARTICLE VIII

CHANGE IN CIRCUMSTANCES

SECTION 8.01. Basis for Determining Interest Rate Inadequate or Unfair. If on or prior to the first day of any Interest Period for any Fixed Rate Loan:

(a) the Agent is advised by the Reference Banks that deposits in dollars (in the applicable amounts) are not being offered to the Reference Banks in the relevant market for such Interest Period, or

(b) in the case of CD Loans or Euro-Dollar Loans, Banks having 50% or more of the aggregate amount of the affected Loans advise the Agent that the Adjusted CD Rate or the Adjusted London Interbank Offered Rate, as the case may be, as determined by the Agent will not adequately and fairly reflect the cost to such Banks of funding their CD Loans or Euro-Dollar Loans, as the case may be, for such Interest Period,

the Agent shall forthwith give notice thereof to the Borrower and the Banks, whereupon until the Agent notifies

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the Borrower that the circumstances giving rise to such suspension no longer exist, (i) the obligations of the Banks to make CD Loans or Euro-Dollar Loans, as the case may be, or to convert outstanding Loans into CD Loans or Euro-Dollar Loans, as the case may be, shall be suspended and (ii) each outstanding Euro-Dollar Loan shall be converted into a Base Rate Loan on the last day of the then current Interest Period applicable thereto. Unless the Borrower notifies the Agent at least two Domestic Business Days before the date of any Fixed Rate Borrowing for which a Notice of Borrowing has previously been given that it elects not to borrow on such date, (x) if such Fixed Rate Borrowing is a Committed Borrowing, such Borrowing shall instead be made as a Base Rate Borrowing and (y) if such Fixed Rate Borrowing is a Money Market LIBOR Borrowing, the Money Market LIBOR Loans comprising such Borrowing shall bear interest for each day from and including the first day to but excluding the last day of the Interest Period applicable thereto at the Base Rate for such day.

SECTION 8.02. Illegality. If, on or after the date of this Agreement, the adoption of any applicable law, rule or regulation, or any change in any applicable law, rule or regulation, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Bank (or its Euro-Dollar Lending Office) with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall make it unlawful or impossible for any Bank (or its Euro-Dollar Lending Office) to make, maintain or fund its Euro-Dollar Loans and such Bank shall so notify the Agent, the Agent shall forthwith give notice thereof to the other Banks and the Borrower, whereupon until such Bank notifies the Borrower and the Agent that the circumstances giving rise to such suspension no longer exist, the obligation of such Bank to make Euro-Dollar Loans, or to convert outstanding Loans into Euro-Dollar Loans, shall be suspended. Before giving any notice to the Agent pursuant to this Section, such Bank shall designate a different Euro-Dollar Lending Office if such designation will avoid the need for giving such notice and will not, in the judgment of such Bank, be otherwise disadvantageous to such Bank. If such notice is given, each Euro-Dollar Loan of such Bank then outstanding shall be converted to a Base Rate Loan either (a) on the last day of the then current Interest Period applicable to such Euro-Dollar Loan if such Bank may lawfully continue to maintain and fund such Loan to such day or (b)

immediately if such Bank shall determine that it may

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not lawfully continue to maintain and fund such Loan to such day.

SECTION 8.03. Increased Cost and Reduced Return. (a) If on or after (x) the date hereof, in the case of any Committed Loan or any obligation to make Committed Loans or (y) the date of the related Money Market Quote, in the case of any Money Market Loan, the adoption of any applicable law, rule or regulation, or any change in any applicable law, rule or regulation, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Bank (or its Applicable Lending Office) with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall impose, modify or deem applicable any reserve (including, without limitation, any such requirement imposed by the Board of Governors of the Federal Reserve System, but excluding (i) with respect to any CD Loan any such requirement included in an applicable Domestic Reserve Percentage and (ii) with respect to any Euro-Dollar Loan any such requirement included in an applicable Euro-Dollar Reserve Percentage), special deposit, insurance assessment (excluding, with respect to any CD Loan, any such requirement reflected in an applicable Assessment Rate) or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Bank (or its Applicable Lending Office) or shall impose on any Bank (or its Applicable Lending Office) or on the United States market for certificates of deposit or the London interbank market any other condition affecting its Fixed Rate Loans, its Note or its obligation to make Fixed Rate Loans, and the result of any of the foregoing is to increase the cost to such Bank (or its Applicable Lending Office) of making or maintaining any Fixed Rate Loan, or to reduce the amount of any sum received or receivable by such Bank (or its Applicable Lending Office) under this Agreement or under its Note with respect thereto, by an amount deemed by such Bank to be material, then, within 15 days after demand by such Bank (with a copy to the Agent), the Borrower shall pay to such Bank such additional amount or amounts as will compensate such Bank for such increased cost or reduction.

(b) If any Bank shall have determined that, after the date hereof, the adoption of any applicable law, rule or regulation of general applicability regarding capital adequacy, or any change in any such law, rule or regulation, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or

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administration thereof, or any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on capital of such Bank (or its Parent) as a consequence of such Bank's obligations hereunder to a level below that which such Bank (or its Parent) could have achieved but for such adoption, change, request or directive (taking into consideration its policies with respect to capital adequacy) by an amount deemed by such Bank to be material, then from time to time, within 15 days after demand by such Bank (with a copy to the Agent), the Borrower shall pay to such Bank such additional amount or amounts as will compensate such Bank (or its Parent) for such reduction.

(c) Each Bank will promptly notify the Borrower and the Agent of any event of which it has knowledge, occurring after the date hereof, which will entitle such Bank to compensation pursuant to this Section and will designate a different Applicable Lending Office if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the judgment of such Bank, be otherwise disadvantageous to such Bank. A certificate of any Bank claiming compensation under this Section and setting forth the additional amount or amounts to be paid to it hereunder shall be conclusive in the absence of manifest error. In determining such amount, such Bank may use any reasonable averaging and attribution methods.

SECTION 8.04. Taxes. (a) Any and all payments by the Borrower to or for the account of any Bank or the Agent hereunder or under any Note shall be made free and clear of and without deduction for any and all present or future taxes, duties, levies, imposts, deductions, charges or withholdings imposed by any governmental or taxing authority and all liabilities with respect thereto, excluding, in the case of each Bank and the Agent, taxes imposed on its income, and franchise taxes imposed on it, by the jurisdiction under the laws of which such Bank or the Agent (as the case may be) is organized or any political subdivision thereof and, in the case of each Bank, taxes imposed on its income, and franchise or similar taxes imposed on it, by

the jurisdiction of such Bank's Applicable Lending Office or any political subdivision thereof (all such non-excluded taxes, duties, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). If the Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder or under any Note to any Bank or

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the Agent, (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 8.04) such Bank or the Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions, (iii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law and (iv) the Borrower shall furnish to the Agent, at its address referred to in Section 9.01, the original or a certified copy of a receipt evidencing payment thereof.

(b) In addition, the Borrower agrees to pay any present or future stamp or documentary taxes and any other excise or property taxes, or charges or similar levies which arise from any payment made hereunder or under any Note or from the execution or delivery of, or otherwise with respect to, this Agreement or any Note (hereinafter referred to as "Other Taxes").

(c) The Borrower agrees to indemnify each Bank and the Agent for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed or asserted by any jurisdiction on amounts payable under this Section 8.04) paid by such Bank or the Agent (as the case may be) and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto. This indemnification shall be made within 15 days from the date such Bank or the Agent (as the case may be) makes demand therefor.

(d) Each Bank organized under the laws of a jurisdiction outside the United States, on or prior to the date of its execution and delivery of this Agreement in the case of each Bank listed on the signature pages hereof and on or prior to the date on which it becomes a Bank in the case of each other Bank, and from time to time thereafter if requested in writing by the Borrower (but only so long as such Bank remains lawfully able to do so), shall provide the Borrower with Internal Revenue Service form 1001 or 4224, as appropriate, or any successor form prescribed by the Internal Revenue Service, certifying that such Bank is entitled to benefits under an income tax treaty to which the United States is a party which reduces the rate of withholding tax on payments of interest or certifying that the income receivable pursuant to this Agreement is effectively connected with the conduct of a trade or business in the United States. If the form provided by a Bank at the time such Bank first becomes a party to this Agreement indicates a United States interest withholding tax

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rate in excess of zero, withholding tax at such rate shall be considered excluded from "Taxes" as defined in Section 8.04(a).

(e) For any period with respect to which a Bank has failed to provide the Borrower with the appropriate form pursuant to Section 8.04(d) (unless such failure is due to a change in treaty, law or regulation occurring subsequent to the date on which a form originally was required to be provided), such Bank shall not be entitled to indemnification under Section 8.04(a) or 8.04(c) with respect to Taxes imposed by the United States; provided, however, that should a Bank, which is otherwise exempt from or subject to a reduced rate of withholding tax, become subject to Taxes because of its failure to deliver a form required hereunder, the Borrower shall take such steps as such Bank shall reasonably request to assist such Bank to recover such Taxes.

(f) If the Borrower is required to pay additional amounts to or for the account of any Bank pursuant to this Section 8.04, then such Bank will change the jurisdiction of its Applicable Lending Office so as to eliminate or reduce any such additional payment which may thereafter accrue if such change, in the judgment of such Bank, is not otherwise disadvantageous to such Bank.

SECTION 8.05. Base Rate Loans Substituted for Affected Fixed Rate Loans. If (i) the obligation of any Bank to make Euro-Dollar Loans has been suspended pursuant to Section 8.02 or (ii) any Bank has demanded compensation under Section 8.03 or 8.04 with respect to its CD Loans or Euro-Dollar Loans and the Borrower shall, by at least four Euro-Dollar Business Days' prior notice to such Bank through the Agent, have elected that the provisions of this Section shall apply to such Bank, then, unless and until such Bank notifies the Borrower that the circumstances giving rise to such suspension or demand for

compensation no longer exist:

(a) all Loans which would otherwise be made by such Bank as (or continued as or converted into) CD Loans or Euro-Dollar Loans, as the case may be, shall be made instead as Base Rate Loans (on which interest and principal shall be payable contemporaneously with the related Fixed Rate Loans of the other Banks), and

(b) after each of its CD Loans or Euro-Dollar Loans, as the case may be, has been repaid (or converted to a Base Rate Loan), all payments of principal which would otherwise be applied to repay such Fixed Rate Loans shall be applied to repay its Base Rate Loans instead.

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If such Bank notifies the Borrower that the circumstances giving rise to such notice no longer apply, the principal amount of each such Base Rate Loan shall be converted into a CD Loan or Euro-Dollar Loan, as the case may be, on the first day of the next succeeding Interest Period applicable to the related CD Loans or Euro-Dollar Loans of the other Banks.

SECTION 8.06. Substitution of Bank. If (i) the obligation of any Bank to make Euro-Dollar Loans has been suspended pursuant to Section 8.02, (ii) any Bank has demanded compensation under Section 8.03 or 8.04 or (iii) any Bank shall not have made available its share of any Borrowing within two Domestic Business Days after the date of such Borrowing, the Borrower shall have the right, with the assistance of the Agent, to appoint a substitute bank or banks mutually satisfactory to the Borrower and the Agent (which may be one or more of the Banks) to purchase the Note and assume the Commitment of such Bank.

ARTICLE IX

MISCELLANEOUS

SECTION 9.01. Notices. All notices, requests and other communications to any party hereunder shall be in writing (including bank wire, telex, facsimile transmission or similar writing) and shall be given to such party: (x) in the case of the Borrower or the Agent, at its address, facsimile number or telex number set forth on the signature pages hereof, (y) in the case of any Bank, at its address, facsimile number or telex number set forth in its Administrative Questionnaire or (z) in the case of any party, such other address, facsimile number or telex number as such party may hereafter specify for the purpose by notice to the Agent and the Borrower. Each such notice, request or other communication shall be effective (i) if given by telex, when such telex is transmitted to the telex number specified in this Section and the appropriate answerback is received, (ii) if given by facsimile transmission, when transmitted to the facsimile number specified in this Section and confirmation of receipt is received, (iii) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid or (iv) if given by any other means, when delivered at the address specified in this Section; provided that notices to the Agent under Article II or Article VIII shall not be effective until received.

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SECTION 9.02. No Waivers. No failure or delay by the Agent or any Bank in exercising any right, power or privilege hereunder or under any Note shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 9.03. Expenses; Indemnification. (a) The Borrower shall pay (i) all reasonable out-of-pocket expenses of the Agent, including fees and disbursements of special counsel for the Agent, in connection with the preparation and administration of this Agreement, any waiver or consent hereunder or any amendment hereof or any Default or alleged Default hereunder and (ii) if an Event of Default occurs, all out-of-pocket expenses incurred by the Agent and each Bank, including fees and disbursements of counsel, in connection with such Event of Default and collection, bankruptcy, insolvency and other enforcement proceedings resulting therefrom.

(b) The Borrower agrees to indemnify the Agent and each Bank, their respective Affiliates and the respective directors, officers, agents and employees of the foregoing (each an "Indemnitee") and hold each Indemnitee harmless from and against any and all liabilities, losses, damages, costs and

expenses of any kind, including, without limitation, the reasonable fees and disbursements of counsel, which may be incurred by such Indemnitee in connection with any investigative, administrative or judicial proceeding (whether or not such Indemnitee shall be designated a party thereto) brought or threatened relating to or arising out of this Agreement or any actual or proposed use of proceeds of Loans hereunder; provided that no Indemnitee shall have the right to be indemnified hereunder for such Indemnitee's own gross negligence or willful misconduct as determined by a court of competent jurisdiction.

SECTION 9.04. Sharing of Set-Offs. Each Bank agrees that if it shall, by exercising any right of set-off or counterclaim or otherwise, receive payment of a proportion of the aggregate amount of principal and interest due with respect to any Note held by it which is greater than the proportion received by any other Bank in respect of the aggregate amount of principal and interest due with respect to any Note held by such other Bank, the Bank receiving such proportionately greater payment shall purchase such participations in the Notes held by the other Banks, and such other adjustments shall be made, as may be

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required so that all such payments of principal and interest with respect to the Notes held by the Banks shall be shared by the Banks pro rata; provided that nothing in this Section shall impair the right of any Bank to exercise any right of set-off or counterclaim it may have and to apply the amount subject to such exercise to the payment of indebtedness of the Borrower other than its indebtedness under the Notes. The Borrower agrees, to the fullest extent it may effectively do so under applicable law, that any holder of a participation in a Note, whether or not acquired pursuant to the foregoing arrangements, may exercise rights of set-off or counterclaim and other rights with respect to such participation as fully as if such holder of a participation were a direct creditor of the Borrower in the amount of such participation.

SECTION 9.05. Amendments and Waivers. Any provision of this Agreement or the Notes may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by the Borrower and the Required Banks (and, if the rights or duties of the Agent are affected thereby, by the Agent); provided that no such amendment or waiver shall, unless signed by all the Banks, (i) increase or decrease the Commitment of any Bank (except for a ratable decrease in the Commitments of all Banks) or subject any Bank to any additional obligation, (ii) reduce the principal of or rate of interest on any Committed Loan or any fees hereunder, (iii) postpone the date fixed for any payment of principal of or interest on any Committed Loan or any fees hereunder or for termination of any Commitment or (iv) change the percentage of the Commitments or of the aggregate unpaid principal amount of the Notes, or the number of Banks, which shall be required for the Banks or any of them to take any action under this Section or any other provision of this Agreement; and provided further that any provision of this Agreement or the Notes affecting any outstanding Money Market Loan may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by the Borrower and the Bank making such Loan and, if the rights or duties of the Agent are affected thereby, by the Agent.

SECTION 9.06. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that the Borrower may not assign or otherwise transfer any of its rights under this Agreement without the prior written consent of all Banks.

(b) Any Bank may at any time grant to one or more banks or other institutions (each a "Participant") participating interests in its Commitment or any or all of

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its Loans. In the event of any such grant by a Bank of a participating interest to a Participant, whether or not upon notice to the Borrower and the Agent, such Bank shall remain responsible for the performance of its obligations hereunder, and the Borrower and the Agent shall continue to deal solely and directly with such Bank in connection with such Bank's rights and obligations under this Agreement. Any agreement pursuant to which any Bank may grant such a participating interest shall provide that such Bank shall retain the sole right and responsibility to enforce the obligations of the Borrower hereunder including, without limitation, the right to approve any amendment, modification or waiver of any provision of this Agreement; provided that such participation agreement may provide that such Bank will not agree to any modification, amendment or waiver of this Agreement described in clause (i), (ii) or (iii) of Section 9.05 without the consent of the Participant. The

Borrower agrees that each Participant shall, to the extent provided in its participation agreement, be entitled to the benefits of Article VIII with respect to its participating interest. An assignment or other transfer which is not permitted by subsection (c) or (d) below shall be given effect for purposes of this Agreement only to the extent of a participating interest granted in accordance with this subsection (b). Any Bank which grants a participating interest in accordance with this subsection (b) shall notify the Borrower of the amount thereof and the Participant; provided that the failure of a Bank to give such notice shall not affect the validity of its grant or the rights of the Participant with respect to such participating interest.

(c) Any Bank may at any time assign to one or more banks or other institutions (each an "Assignee") all, or a proportionate part of all (such proportionate part to include a Commitment of not less than \$10,000,000), of its rights and obligations under this Agreement and the Notes, and such Assignee shall assume such rights and obligations, pursuant to an Assignment and Assumption Agreement in substantially the form of Exhibit G hereto executed by such Assignee and such transferor Bank, with (and subject to) the subscribed consent of the Borrower and the Agent; provided that if an Assignee is an Affiliate of such transferor Bank, no such consent shall be required; and provided further that such assignment may, but need not, include rights of the transferor Bank in respect of outstanding Money Market Loans. Upon execution and delivery of such instrument and payment by such Assignee to such transferor Bank of an amount equal to the purchase price agreed between such transferor Bank and such Assignee, such Assignee shall be a Bank party to this Agreement and shall have all the rights and obligations of a Bank with a Commitment as set forth in

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such instrument of assumption, and the transferor Bank shall be released from its obligations hereunder to a corresponding extent, and no further consent or action by any party shall be required. Upon the consummation of any assignment pursuant to this subsection (c), the transferor Bank, the Agent and the Borrower shall make appropriate arrangements so that, if required, a new Note is issued to the Assignee. In connection with any such assignment, the transferor Bank shall pay to the Agent an administrative fee for processing such assignment in the amount of \$2,500. If the Assignee is not incorporated under the laws of the United States of America or a state thereof, it shall, prior to the first date on which interest or fees are payable hereunder for its account, deliver to the Borrower and the Agent certification as to exemption from deduction or withholding of any United States federal income taxes in accordance with Section 8.04.

(d) Any Bank may at any time assign all or any portion of its rights under this Agreement and its Note to a Federal Reserve Bank. No such assignment shall release the transferor Bank from its obligations hereunder.

(e) No Assignee, Participant or other transferee of any Bank's rights shall be entitled to receive any greater payment under Section 8.03 or 8.04 than such Bank would have been entitled to receive with respect to the rights transferred, unless such transfer is made with the Borrower's prior written consent or by reason of the provisions of Section 8.02, 8.03 or 8.04 requiring such Bank to designate a different Applicable Lending Office under certain circumstances or at a time when the circumstances giving rise to such greater payment did not exist.

SECTION 9.07. Collateral. Each of the Banks represents to the Agent and each of the other Banks that it in good faith is not relying upon any "margin stock" (as defined in Regulation U) as collateral in the extension or maintenance of the credit provided for in this Agreement.

SECTION 9.08. Governing Law; Submission to Jurisdiction. This Agreement and each Note shall be governed by and construed in accordance with the laws of the STATE OF NEW YORK. The Borrower hereby submits to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York State court sitting in New York City for purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. The Borrower irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to

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the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum.

SECTION 9.09. Counterparts; Integration. This Agreement may be

signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement constitutes the entire agreement and understanding among the parties hereto and supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

SECTION 9.10. WAIVER OF JURY TRIAL. EACH OF THE BORROWER, THE AGENT AND THE BANKS HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

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

V.F. CORPORATION

By /s/ L. R. Pugh

Title: Chairman and C.E.O.

By /s/ F.C. Pickard III

Title: Vice President and
Treasurer

1047 North Park Road
P.O. Box 1022
Wyomissing, Pennsylvania 19610
Rapifax number: (610) 378-0984

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Commitments

<TABLE>
<S>
\$100,000,000

<C>
MORGAN GUARANTY TRUST COMPANY
OF NEW YORK

By /s/ Stephen J. Kenneally

Title: Vice President

\$30,000,000

ABN AMRO BANK, N.V.

By /s/ John W. Deegan

Title: Vice President

By /s/ David W. Stack

Title: Corporate Banking
Officer

\$20,000,000

AMSOUTH BANK, N.A.

By /s/ R. Mark Graf

Title: Vice President

\$30,000,000

BANK BRUSSELS LAMBERT,
NEW YORK BRANCH

By /s/ Eric Hollanders

Title: Senior Vice President

By /s/ Eileen J. Stekeur

Title: Assistant Vice President

\$20,000,000

CORESTATES BANK, N.A.

By /s/ James P. Richards

Title: Vice President

</TABLE>

Commitments

<TABLE>
<S>
\$50,000,000

<C>
CREDIT LYONNAIS CAYMAN ISLAND BRANCH

By /s/ Mary E. Collier

Title: Vice President and
Manager

and

CREDIT LYONNAIS NEW YORK BRANCH

By /s/ Mary E. Collier

Title: Vice President

\$50,000,000

CREDIT SUISSE

By /s/ Eileen O'Connell Fox

Title: Member of Senior
Management

By /s/ Jay Chall

Title: Member of Senior
Management

\$20,000,000

CRESTAR BANK

By /s/ Julian N. Holland, Jr.

Title: Vice President

\$30,000,000

DRESDNER BANK AG, NEW YORK AND
GRAND CAYMAN BRANCHES

By /s/ Robert Grella

Title: Vice President

By /s/ Deborah Slusarczyk

Title: Vice President

</TABLE>

Commitments

<TABLE>
<S>
\$30,000,000

<C>
THE FIRST NATIONAL BANK
OF CHICAGO

By /s/ Cathy Frank

Title: Corporate Banking
Officer

\$20,000,000

FIRST UNION NATIONAL BANK
OF NORTH CAROLINA

By /s/ Laurie C. Hart

Title: Vice President

\$50,000,000

THE FUJI BANK, LIMITED

By /s/ Takashi Nagao

Title: Vice President and
Manager

\$30,000,000

ISTITUTO BANCARIO SAN PAOLO
DI TORINO SPA

By /s/ Gerard M. McKenna

Title: Vice President

\$40,000,000

MERIDIAN BANK

By /s/ Barbara H. Pattison

Title: Vice President

</TABLE>

Commitments

<TABLE>
<S>
\$50,000,000

<C>
NATIONSBANK OF NORTH CAROLINA, N.A.

By /s/ J. Timothy Martin

Title: Senior Vice President

\$70,000,000

PNC BANK, NATIONAL ASSOCIATION

By /s/ Robert Q. Reilly

Title: Vice President

\$30,000,000

SOCIETE GENERALE

By /s/ Robert L. Petersen

Title: Vice President and
Relationship Manager

\$30,000,000

UNITED MISSOURI BANK, N.A.

By /s/ Joseph W. "Whit" McCoskrie

Title: Executive Vice President

\$50,000,000

WACHOVIA BANK OF NORTH CAROLINA

By /s/ Robert G. Brookby

Title: Executive Vice President

</TABLE>

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<TABLE>
<S>
Commitments

<C>

Total Commitments

\$750,000,000
=====

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK, as Agent

By /s/ Stephen J. Kenneally

Title: Vice President
60 Wall Street
New York, New York 10260
Attention:
Telex number: 177615 MGT UT

</TABLE>

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SCHEDULE I

1. Golden Trade S.R.L. and Breaker Texas Finishing Corporation v. Lee Apparel Company and Blue Bell, No. 90 CIV 6291 (JMC), filed on October 1, 1990 in the United States District Court for the Southern District of New York.
2. Warnaco Inc. and Warnaco International Inc. v. VF Corporation and Vives Vidal, S.A. a/k/a Vivesa, No. 93 CIV 4605 filed on July 8, 1993 in the United States District Court for the Southern District of New York.

EXHIBIT A

NOTE

New York, New York
, 19__

For value received, V.F. CORPORATION, a Pennsylvania corporation (the "Borrower"), promises to pay to the order of

(the "Bank"), for the account of its Applicable Lending Office, the unpaid principal amount of each Loan made by the Bank to the Borrower pursuant to the

Form of Money Market Quote Request

[Date]

To: Morgan Guaranty Trust Company of New York
(the "Agent")

From: V.F. Corporation

Re: Credit Agreement (the "Credit Agreement") dated as of October 20,
1994 among the Borrower, the Banks listed on the signature pages
thereof and the Agent

We hereby give notice pursuant to Section 2.03 of the Credit
Agreement that we request Money Market Quotes for the following proposed Money
Market Borrowing(s):

Date of Borrowing: _____

Principal Amount* Interest Period**

\$

Such Money Market Quotes should offer a Money Market [Margin]
[Absolute Rate]. [The applicable base rate is the London Interbank Offered
Rate.]

Terms used herein have the meanings assigned to them in the
Credit Agreement.

V.F. CORPORATION

By _____
Title:

*Amount must be \$15,000,000 or a larger multiple of \$1,000,000.

**Not less than one month (LIBOR Auction) or not less than 7 days
(Absolute Rate Auction), subject to the provisions of the definition of
Interest Period.

Form of Invitation for Money Market Quotes

To: [Name of Bank]

Re: Invitation for Money Market Quotes
to V.F. Corporation (the
"Borrower")

Pursuant to Section 2.03 of the Credit Agreement dated as of
October 20, 1994 among the Borrower, the Banks parties thereto and the
undersigned, as Agent, we are pleased on behalf of the Borrower to invite you
to submit Money Market Quotes to the Borrower for the following proposed Money
Market Borrowing(s):

Date of Borrowing: _____

Principal Amount

Interest Period

\$

Such Money Market Quotes should offer a Money Market [Margin] [Absolute Rate]. [The applicable base rate is the London Interbank Offered Rate.]

Please respond to this invitation by no later than 9:00 A.M. (New York City time) on [date].

Terms used herein have the meanings assigned to them in the Credit Agreement.

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

By _____ Authorized Officer

EXHIBIT D

Form of Money Market Quote

MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as Agent 60 Wall Street New York, New York 10260

Attention:

Re: Money Market Quote to V.F. Corporation (the "Borrower")

In response to your invitation on behalf of the Borrower dated _____, 19__, we hereby make the following Money Market Quote on the following terms:

- 1. Quoting Bank: _____
2. Person to contact at Quoting Bank: _____
3. Date of Borrowing: _____*

4. We hereby offer to make Money Market Loan(s) in the following principal amounts, for the following Interest Periods and at the following rates:

Table with 3 columns: Principal Amount**, Interest Period***, Money Market [Margin****] [Absolute Rate*****]

\$

\$

Provided, that the aggregate principal amount of Money Market Loans for which the above offers may be accepted shall not exceed \$_____.**

* As specified in the related Invitation.

** Principal amount bid for each Interest Period may not exceed principal amount requested. Specify aggregate limitation if the sum of the individual offers exceeds the

amount the Bank is willing to lend. Bids must be made for \$5,000,000 or a larger multiple of \$1,000,000.

(notes continued on following page)

We understand and agree that the offer(s) set forth above, subject to the satisfaction of the applicable conditions set forth in the Credit Agreement dated as of October 20, 1994 among the Borrower, the Banks listed on the signature pages thereof and yourselves, as Agent, irrevocably obligates us to make the Money Market Loan(s) for which any offer(s) are accepted, in whole or in part.

Terms used herein have the meanings assigned to them in the Credit Agreement.

Very truly yours,

[NAME OF BANK]

Dated: _____

By: _____
Authorized Officer

*** Not less than one month or not less than 7 days, as specified in the related Invitation. No more than five bids are permitted for each Interest Period.

**** Margin over or under the London Interbank Offered Rate determined for the applicable Interest Period. Specify percentage (to the nearest 1/10,000 of 1%) and specify whether "PLUS" or "MINUS".

***** Specify rate of interest per annum (to the nearest 1/10,000th of 1%).

OPINION OF
COUNSEL FOR THE BORROWER

[Effective Date]

To the Banks and the Agent
Referred to Below
c/o Morgan Guaranty Trust Company
of New York, as Agent
60 Wall Street
New York, New York 10260

Dear Sirs:

We have acted as counsel for V.F. Corporation (the "Borrower") in connection with the Credit Agreement (the "Credit Agreement") dated as of October 20, 1994 among the Borrower, the banks listed on the signature pages thereof and Morgan Guaranty Trust Company of New York, as Agent. Terms defined in the Credit Agreement are used herein as therein defined. This opinion is being rendered to you at the request of our client pursuant to Section 3.01(c) of the Credit Agreement.

We have examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records, certificates of public officials and other instruments and have conducted such other investigations of fact and law as we have deemed necessary or advisable for purposes of this opinion.

Upon the basis of the foregoing, we are of the opinion that:

1. The Borrower is a corporation duly incorporated, validly existing and in good standing under the laws of Pennsylvania, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.
2. The execution, delivery and performance by the Borrower of the Credit Agreement and the Notes are within the Borrower's corporate powers, have

been duly authorized by all necessary corporate action, require no action by or

in respect of, or filing with, any governmental body, agency or official and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the certificate of incorporation or by-laws of the Borrower or, to the best of our knowledge, of any agreement, judgment, injunction, order, decree or other instrument binding upon the Borrower, or result in the creation or imposition of any Lien on any asset of the Borrower or any of its Subsidiaries.

3. The Credit Agreement constitutes a valid and binding agreement of the Borrower and each Note constitutes a valid and binding obligation of the Borrower, in each case enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and by general principles of equity.

4. Except as set forth in Schedule I to the Credit Agreement, to the best of our knowledge, there is no action, suit or proceeding pending against, or to the best of our knowledge threatened against or affecting, the Borrower or any of its Subsidiaries before any court or arbitrator or any governmental body, agency or official, in which there is a reasonable possibility of an adverse decision which could materially adversely affect the business, consolidated financial position or consolidated results of operations of the Borrower and its Subsidiaries, considered as a whole, or which in any manner draws into question the validity of the Credit Agreement or the Notes.

5. Each of the Borrower's Material Subsidiaries is a corporation validly existing and in good standing under the laws of its jurisdiction of incorporation, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

Very truly yours,

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EXHIBIT F

OPINION OF
DAVIS POLK & WARDWELL, SPECIAL COUNSEL
FOR THE AGENT

[Effective Date]

To the Banks and the Agent
Referred to Below
c/o Morgan Guaranty Trust Company
of New York, as Agent
60 Wall Street
New York, New York 10260

Dear Sirs:

We have participated in the preparation of the Credit Agreement (the "Credit Agreement") dated as of October 20, 1994 among V.F. Corporation, a Pennsylvania corporation (the "Borrower"), the banks listed on the signature pages thereof (the "Banks") and Morgan Guaranty Trust Company of New York, as Agent (the "Agent"), and have acted as special counsel for the Agent for the purpose of rendering this opinion pursuant to Section 3.01(d) of the Credit Agreement. Terms defined in the Credit Agreement are used herein as therein defined.

We have examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records, certificates of public officials and other instruments and have conducted such other investigations of fact and law as we have deemed necessary or advisable for purposes of this opinion.

Upon the basis of the foregoing, we are of the opinion that the Credit Agreement constitutes a valid and binding agreement of the Borrower and each Note constitutes a valid and binding obligation of the Borrower, in each case enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights

generally and by general principles of equity.

We are members of the Bar of the State of New York and the foregoing opinion is limited to the laws of the

State of New York and the federal laws of the United States of America. In giving the foregoing opinion, (i) we express no opinion as to the effect (if any) of any law of any jurisdiction (except the State of New York) in which any Bank is located which limits the rate of interest that such Bank may charge or collect and (ii) we have relied, without independent investigation, as to all matters governed by the laws of Pennsylvania, upon the opinion of Clark, Ladner, Fortenbaugh & Young, dated the date hereof, a copy of which has been delivered to you.

This opinion is rendered solely to you in connection with the above matter. This opinion may not be relied upon by you for any other purpose or relied upon by any other person without our prior written consent.

Very truly yours,

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EXHIBIT G

ASSIGNMENT AND ASSUMPTION AGREEMENT

AGREEMENT dated as of _____, 19__ among [ASSIGNOR] (the "Assignor"), [ASSIGNEE] (the "Assignee"), V.F. CORPORATION (the "Borrower") and MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as Agent (the "Agent").

W I T N E S S E T H

WHEREAS, this Assignment and Assumption Agreement (the "Agreement") relates to the Credit Agreement dated as of October 20, 1994 among the Borrower, the Assignor and the other Banks party thereto, as Banks, and the Agent (the "Credit Agreement");

WHEREAS, as provided under the Credit Agreement, the Assignor has a Commitment to make Loans to the Borrower in an aggregate principal amount at any time outstanding not to exceed \$_____;

WHEREAS, Committed Loans made to the Borrower by the Assignor under the Credit Agreement in the aggregate principal amount of \$_____ are outstanding at the date hereof; and

WHEREAS, the Assignor proposes to assign to the Assignee all of the rights of the Assignor under the Credit Agreement in respect of a portion of its Commitment thereunder in an amount equal to \$_____ (the "Assigned Amount"), together with a corresponding portion of its outstanding Committed Loans, and the Assignee proposes to accept assignment of such rights and assume the corresponding obligations from the Assignor on the terms hereof;

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

SECTION 1. Definitions. All capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Credit Agreement.

SECTION 2. Assignment. The Assignor hereby assigns and sells to the Assignee all of the rights of the

Assignor under the Credit Agreement to the extent of the Assigned Amount, and the Assignee hereby accepts such assignment from the Assignor and assumes all of the obligations of the Assignor under the Credit Agreement to the extent of the Assigned Amount, including the purchase from the Assignor of the corresponding portion of the principal amount of the Committed Loans made by the Assignor outstanding at the date hereof. Upon the execution and delivery hereof by the Assignor, the Assignee, the Borrower and the Agent and the payment of the amounts specified in Section 3 required to be paid on the date

hereof (i) the Assignee shall, as of the date hereof, succeed to the rights and be obligated to perform the obligations of a Bank under the Credit Agreement with a Commitment in an amount equal to the Assigned Amount, and (ii) the Commitment of the Assignor shall, as of the date hereof, be reduced by a like amount and the Assignor released from its obligations under the Credit Agreement to the extent such obligations have been assumed by the Assignee. The assignment provided for herein shall be without recourse to the Assignor.

SECTION 3. Payments. As consideration for the assignment and sale contemplated in Section 2 hereof, the Assignee shall pay to the Assignor on the date hereof in Federal funds the amount heretofore agreed between them. It is understood that commitment and/or facility fees accrued to the date hereof with respect to the Assigned Amount are for the account of the Assignor and such fees accruing from and including the date hereof are for the account of the Assignee. Each of the Assignor and the Assignee hereby agrees that if it receives any amount under the Credit Agreement which is for the account of the other party hereto, it shall receive the same for the account of such other party to the extent of such other party's interest therein and shall promptly pay the same to such other party.

[SECTION 4. Consent of the Borrower and the Agent. This Agreement is conditioned upon the consent of the Borrower and the Agent pursuant to Section 9.06(c) of the Credit Agreement. The execution of this Agreement by the Borrower and the Agent is evidence of this consent. Pursuant to Section 9.06(c) the Borrower agrees to execute and deliver a Note payable to the order of the Assignee to evidence the assignment and assumption provided for herein.]

SECTION 5. Non-Reliance on Assignor. The Assignor makes no representation or warranty in connection with, and shall have no responsibility with respect to, the solvency, financial condition, or statements of the Borrower, or the validity and enforceability of the obligations of the Borrower in respect of the Credit

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Agreement or any Note. The Assignee acknowledges that it has, independently and without reliance on the Assignor, the Agent or any other Bank, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and will continue to be responsible for making its own independent appraisal of the business, affairs and financial condition of the Borrower.

SECTION 6. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 7. Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

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

[ASSIGNOR]

By _____
Title:

[ASSIGNEE]

By _____
Title:

[V.F. CORPORATION]

By _____
Title:

[MORGAN GUARANTY TRUST COMPANY
OF NEW YORK]

By

Title:

VF CORPORATION EXECUTIVE INCENTIVE COMPENSATION PLAN

I. INTRODUCTION

The objective of the Executive Incentive Compensation Plan (the "Plan") is to provide incentive bonus compensation to the most senior members of the management team of VF Corporation (the "Company") upon the achievement of an earnings per share goal previously established for the Company for each fiscal year. The Plan is based on the assumption that providing such incentive bonus compensation to the Company's senior management team will motivate them toward an even greater contribution to the results of the Company.

II. DEFINITIONS

A. EICP COMMITTEE - The members of the Organization and Compensation Committee of the Board of Directors of the Company who are "outside directors" as defined or interpreted for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code").

B. PARTICIPANT - An employee designated by the Board of Directors of the Company as an "executive officer" of the Company for purposes of and pursuant to Rule 16a-1(f) of the Securities Exchange Act of 1934.

C. PERFORMANCE OBJECTIVE - The Company earnings per share (excluding the effects of extraordinary and nonrecurring items) goal established by the EICP Committee for each Plan Period.

D. PLAN PERIOD - The Company's fiscal year, commencing with the 1994 fiscal year.

E. RETIREMENT - As used in the Plan, Retirement is defined as withdrawal from the regular workforce and entitlement to early, normal or late retirement benefits, in accordance with the Company's pension plan.

F. TARGET INCENTIVE AWARD - The target incentive bonus established by the EICP Committee for a Participant for a Plan Period.

III. OPERATION OF THE PLAN

A. ESTABLISHMENT OF TARGET INCENTIVE AWARDS - No later than 90 days after the commencement of each Plan Period, the EICP Committee will establish in writing a Target Incentive Award for each Participant for such Plan Period.

B. ESTABLISHMENT OF PERFORMANCE OBJECTIVE - No later than 90 days after the commencement of each Plan Period, the EICP Committee will establish in writing a range of values for the Performance Objective for such Plan Period. The EICP Committee may establish a range of incentive bonuses from 0% to 150% of the Target Incentive Award for each Participant based on relative percentages of the Performance Objective attained (the "Incentive Awards").

C. CALCULATION OF INCENTIVE AWARDS - Incentive Awards will be paid to each Participant by reference to the actual attainment of the Performance Objective relative to the Performance Objective levels established by the EICP Committee for the Plan Period. Notwithstanding the foregoing or any provision of Section IV, the EICP Committee may, in its sole discretion, exercise negative discretion to reduce earned Incentive Awards.

D. MAXIMUM INCENTIVE AWARD - Notwithstanding any other provision of the Plan to the contrary, the maximum Incentive Award which may be paid to a Participant for a Plan Period is \$1,500,000.

E. PAYMENT OF INCENTIVE AWARDS - Payment of Incentive Awards for a Plan Period will be made as soon as practicable following the EICP Committee's certification in writing as to the level of Performance Objective attained for the Plan Period.

IV. CONTINGENCIES

A. EMPLOYMENT TERMINATION - Except as provided in Sections IV.B, IV.C and IV.E regarding permanent disability, death and Retirement, or unless the EICP Committee exercises its discretion under Section IV.D, a Participant who terminates employment voluntarily or who is terminated involuntarily prior to his receipt of an Incentive Award payment under this Plan forfeits all such payments. A Participant who is employed by the Company at the end of a Plan Period shall not be deemed or considered to have accrued any right to or vested in an Incentive Award for the Plan Period.

B. PERMANENT DISABILITY - A Participant whose employment with the Company is terminated by reason of permanent disability is

eligible to participate in the Plan for the Plan Period in which he becomes permanently disabled. The Incentive Award payment will be calculated as if termination had not occurred, but payment will be prorated according to the Participant's actual length of active service during the Plan Period.

C. DEATH - The estate of a Participant whose employment

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with the Company is terminated by reason of death during a Plan Period is eligible to receive a pro rata share of the Incentive Award payment to which the Participant would have been entitled. The pro rata share will be calculated according to the Participant's actual length of active service during the Plan Period.

D. EICP COMMITTEE DISCRETION - The EICP Committee may grant an Incentive Award for a Plan Period to a terminated employee who had been a Plan Participant for part or all of the Plan Period if, in the EICP Committee's judgment, the payment of such Incentive Award would be in the best interest of the Company. Subject to the Committee's negative discretion under Section III.C above, any such Incentive Award payment will be calculated as if termination had not occurred, but with payment prorated according to the Participant's actual length of active service during the Plan Period.

E. RETIREMENT - A Participant whose Retirement occurs prior to the distribution of an Incentive Award for a Plan Period does not forfeit the payment of such Incentive Award. The Incentive Award payment will be calculated as if Retirement had not occurred, but payment will be prorated according to the Participant's actual length of active service during the Plan Period.

V. ADMINISTRATION

The EICP Committee shall have the authority and responsibility for:

A. Interpretation and administration of the Plan.

B. Establishment of the Target Incentive Awards and Performance Objective for each Plan Period.

C. Certification in writing as to the level of Performance Objective attained for each Plan Period.

D. Determination of Incentive Awards and final approval of payments to Participants.

E. Determination of permanent disability and Retirement for purposes of the Plan.

F. Payment of prorated awards to terminated employees if, in its judgment, the payment of such award would be in the best interest of the Company.

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G. Certification of death for the purpose of payment of prorated awards to the estates of Participants.

VI. AMENDMENT AND TERMINATION

The EICP Committee shall have the power to amend, modify, suspend or terminate any part of the Plan at any time; provided, however, that, notwithstanding any other provision of the Plan, no such amendment or modification shall be effective without the approval of the shareholders of the Company if such shareholder approval is required to preserve the Company's federal income tax deduction for Incentive Awards paid under the Plan pursuant to the "other performance-based compensation" exception in Section 162(m)(4)(C) of the Code.

In the event of such amendment, modification, suspension or termination, Incentive Awards will be calculated at the end of the Plan Period in which the change occurs. These Incentive Awards will be prorated according to the date of amendment, modification, suspension or termination. Any incentive payments for performance during the balance of the Plan Period will be made in accordance with the Plan, if any, in effect during the remainder of the Plan Period.

VII. GENERAL PROVISIONS

A. NO RIGHT TO EMPLOYMENT - The grant of an Incentive Award shall not be construed as giving a Participant the right to be retained in the employ of the Company, nor will it affect in any way the right of the Company to terminate such employment at any time, with or without cause. In addition, the Company may at any time dismiss a Participant from employment free from any liability or any claim under the Plan, unless otherwise expressly provided in the Plan.

B. NO LIMIT ON OTHER COMPENSATION ARRANGEMENTS - Nothing contained in the Plan shall prevent the Company from adopting or continuing in effect other or additional compensation arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.

C. GOVERNING LAW - The validity, construction and effect of the Plan or any Incentive Award hereunder shall be determined in accordance with the laws of the Commonwealth of Pennsylvania.

D. SEVERABILITY - If any provision of the Plan or any Incentive Award is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or would disqualify the Plan

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or any Incentive Award under any law deemed applicable by the EICP Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the EICP Committee, materially altering the purpose or intent of the Plan or the Incentive Award, such provision shall be stricken as to such jurisdiction or Incentive Award, and the remainder of the Plan or any such Incentive Award shall remain in full force and effect.

E. NO TRUST OR FUND CREATED - Neither the Plan nor any Incentive Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a Participant or any other person. To the extent that any Participant or other person acquires a right to receive payments from the Company pursuant to the Plan, such right shall be no greater than the right of any unsecured general creditor of the Company.

F. HEADINGS - Headings are given to the Sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

VIII. EFFECTIVE DATE

The Plan is effective initially for the fiscal year ended December 31, 1994, subject to approval by the shareholders of the Company at the annual meeting of shareholders on April 19, 1994.

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VF CORPORATION

RESTRICTED STOCK AGREEMENT

This RESTRICTED STOCK AGREEMENT made as of the 14th day of February, 1995, by and between VF CORPORATION, a Pennsylvania corporation (the "Company"), and MACKEY J. MCDONALD, President and Chief Operating Officer of the Company ("McDonald").

BACKGROUND

McDonald is President and Chief Operating Officer of the Company and has for many years held executive positions with the Company or a subsidiary of the Company. The Board of Directors has determined that it is in the best interests of the Company and its shareholders to recognize McDonald's performance in 1994 and to provide incentive to McDonald to remain an executive with the Company by making a grant to him of Restricted Stock in accordance with the terms of this Agreement.

NOW, THEREFORE, in consideration of the covenants and of the mutual promises contained herein, the parties hereto, intending to be legally bound hereby, agree as follows:

1. DEFINITIONS. As used in this Agreement, the following terms shall have the meaning set forth below:

(a) "Agreement" shall mean this Restricted Stock Agreement and any amendments thereto.

(b) "Award" shall mean the award of Restricted Stock under this Agreement.

(c) "Board" shall mean the Board of Directors of the Company.

(d) "Committee" shall mean the members of the Organization and Compensation Committee of the Board who are "outside directors" as defined or interpreted for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code").

(e) "Common Stock" shall mean the common stock of the Company as described in the Company's Articles of Incorporation, or such other stock as shall be substituted therefor.

(f) "Company" shall mean VF Corporation, or any successor to the Company.

(g) "Disposition" shall mean any sale, transfer, encumbrance, gift, donation, assignment, pledge, hypothecation, or other disposition, whether similar or dissimilar to those previously enumerated, whether voluntary or involuntary, and including, but not limited to, any disposition by operation of law, by court order, by judicial process, or by foreclosure, levy, or attachment.

(h) "Restricted Stock" shall mean the Common Stock awarded to McDonald under the terms of this Agreement and any Common Stock purchased with distributions with respect to Restricted Stock.

(i) "Termination" shall mean McDonald's voluntary or involuntary cessation of employment with the Company prior to

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January 1, 2006 other than by reason of death, permanent disability or Good Reason (as defined below).

2. AWARD OF RESTRICTED STOCK. As of the date of this Agreement, the Board of Directors of the Company has granted the Award to McDonald, consisting of Five Thousand (5,000) shares of Common Stock. Such shares shall be issued promptly hereafter in McDonald's name but shall be retained by the Company and shall be subject to all provisions of this Agreement.

3. DELIVERY OF RESTRICTED STOCK. (a) If McDonald continuously remains in the employ of the Company through December 31, 2005, the shares of Restricted Stock shall be delivered to McDonald without any restrictions promptly after January 1, 2006; provided, however, that in the event of an earlier termination of McDonald's employment with the Company as a result of his permanent disability or for Good Reason within thirty-six (36)

months following a Change in Control of the Company, all restrictions on the Restricted Stock shall lapse and all shares of Common Stock representing the Award shall be delivered to McDonald. For purposes of this Agreement, "Change in Control" shall have the same meaning as set forth in Paragraph 2 of that certain "Restated Agreement" between the Company and McDonald dated December 7, 1993, and "Good Reason" shall have the same meaning as set forth in Subparagraph (iii) of Paragraph 3 of that same agreement.

(b) One or more stock certificates evidencing the Restricted Stock shall be issued in the name of McDonald but shall

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be held and retained by the Company until the restrictions set forth herein shall have lapsed. All such stock certificates shall bear the following legend:

"The shares of Common Stock evidenced by this Certificate are subject to the terms and conditions of a Restricted Stock Agreement dated February 14, 1995 between the registered owner and VF Corporation; such shares are subject to forfeiture under the terms of said Agreement; and such shares shall not be sold, transferred, assigned, pledged, encumbered or otherwise alienated or hypothecated except pursuant to the provisions of said Agreement, a copy of which is available from VF Corporation upon request."

Until shares of the Restricted Stock are delivered without restrictions to McDonald in accordance with the terms of this Agreement, McDonald shall deposit with the Company stock powers or other instruments of transfer or assignment, duly endorsed in blank with signature guaranteed, corresponding to each certificate for Restricted Stock or distributions thereon. If McDonald shall fail to provide the Company with any such stock power or other instrument of transfer or assignment, McDonald hereby irrevocably appoints the Secretary of the Company as his attorney-in-fact to execute and deliver any such power or other instrument which may be necessary to effectuate the transfer of the Restricted Stock (or assignment of distributions thereon) on the books and records of the Company.

(c) McDonald shall not effect a Disposition of any shares of Restricted Stock unless, until and to the extent the restrictions imposed upon such stock shall have lapsed in

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accordance with this Agreement. Any attempt to effect a Disposition of any shares of Restricted Stock shall be void ab initio.

4. FORFEITURE. Except as otherwise provided in this Agreement, in the event of McDonald's Termination, the shares of Restricted Stock shall be returned to the Company and shall be deemed to have been forfeited by McDonald as of the date of Termination.

5. RIGHTS WITH RESPECT TO RESTRICTED STOCK. (a) Except as otherwise provided in this Agreement, McDonald shall have, with respect to all shares of Restricted Stock, all the rights of a shareholder of the Company, including the right to vote the Restricted Stock; provided, however, that all distributions payable with respect to the Restricted Stock shall be retained by the Company and reinvested in additional shares of Common Stock to be issued in the name of McDonald. Any shares of Common Stock acquired as a result of reinvestment of such distributions shall also be Restricted Stock subject to the terms and conditions of this Agreement. No fractional shares shall be issued under this Agreement, and any balance of cash distributions on the Restricted Stock shall be paid to McDonald (or his beneficiaries) upon distribution of the Restricted Stock in 2006 pursuant to Subparagraph 3(a) or earlier in the event of McDonald's termination of employment due to his permanent disability or for Good Reason,

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as set forth in Subparagraph 3(a), or his death, as set forth in Paragraph 8.

(b) In the event that the Common Stock, as a result of a

stock split or stock dividend or combination of shares or any other change or exchange for other securities, by reclassification, reorganization or otherwise, is increased or decreased or changed into or exchanged for a different number or kind of shares of stock or other securities of the Company or of another corporation, the number of shares of the Restricted Stock shall be appropriately adjusted to reflect such change. If any such adjustment shall result in a fractional share, such fraction shall be disregarded.

6. TAXES. (a) If McDonald properly elects, within thirty (30) days of the date of this Agreement, to include in gross income for federal income tax purposes an amount equal to the fair market value (as of the date of grant of the Award) of the Restricted Stock subject to the Award, McDonald shall make arrangements satisfactory to the Committee to pay to the Company in 1995 any federal, state or local income taxes required to be withheld with respect to such shares. If McDonald shall fail to make such tax payments as are required, the Company shall, to the extent permitted by law, have the right to deduct from any payment of any kind otherwise due to McDonald any federal, state or local taxes of any kind required by law to be withheld with respect to the Restricted Stock.

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(b) If McDonald does not make the election described in Subparagraph 6(a) above, McDonald shall, no later than the date as of which the restrictions referred to in Paragraph 3 hereof shall lapse, pay to the Company, or make arrangements satisfactory to the Committee for payment of, any federal, state or local taxes of any kind required by law to be withheld with respect to the Restricted Stock, and the Company shall, to the extent permitted by law, have the right to deduct from any payment of any kind otherwise due to McDonald any federal, state, or local taxes of any kind required by law to be withheld with respect to the Restricted Stock.

7. ADMINISTRATION. The Committee shall have the authority and responsibility for:

(a) Interpretation and administration of this Agreement;

(b) Determination of McDonald's permanent disability or death, Termination, termination for Good Reason, or whether a Change in Control has occurred for purposes of this Agreement; and

(c) Determination of the appropriate adjustment(s) pursuant to Subparagraph 5(b) hereof.

8. DELIVERY UPON DEATH. In the event of McDonald's death during the term of this Agreement, the shares of Restricted Stock shall be delivered, without continuance of any restrictions provided for in this Agreement, to the beneficiary or beneficiaries

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designated by McDonald in writing delivered to the Company, or, if such beneficiary or beneficiaries are then deceased or if McDonald has not so designated any beneficiary, such shares shall be delivered to the executor or administrator of McDonald's estate.

9. AMENDMENT, MODIFICATION AND ASSIGNMENT. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing signed by McDonald and a duly authorized officer of the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. This Agreement shall not be assigned by McDonald in whole or in part. The rights and obligations created hereunder shall be binding on McDonald and his heirs and legal representatives and on the successors and assigns of the Company.

10. MISCELLANEOUS. (a) No Right to Employment - The grant of the Award shall not be construed as giving McDonald the right to be retained in the employ of the Company nor affect in any way the right of the Company to terminate such employment at any time, with or without cause.

(b) No Limit on Other Compensation Arrangements - Nothing contained in this Agreement shall preclude the Company from adopting or continuing in effect other or additional compensation arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.

(c) Severability - If any provision of this Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or would disqualify this Agreement or the Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable law or if it cannot be so construed or deemed amended without, in the sole discretion of the Committee, materially altering the purpose or intent of this Agreement and the Award, such provision shall be stricken as to such jurisdiction or the Award, and the remainder of this Agreement or the Award shall remain in full force and effect.

(d) No Trust or Fund Created - Neither this Agreement nor the Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and McDonald or any other person. To the extent that McDonald or any other person acquires a right to receive payments from the Company pursuant to this Agreement, such right shall be no greater than the right of any unsecured general creditor of the Company.

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(e) Governing Law - The validity, interpretation, construction and performance of this Agreement shall be governed by the laws (but not any provisions relating to conflicts of laws) of the Commonwealth of Pennsylvania.

(f) Headings - Headings are given to the Paragraphs and Subparagraphs of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision hereof.

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

VF CORPORATION

Attest:

By: /s/ L.R. Pugh

L.R. Pugh
Chairman of the Board and
Chief Executive Officer

/s/ L.M. Tarnoski

L.M. Tarnoski
Secretary
(Corporate Seal)

/s/ Mackey J. McDonald (SEAL)

Witness

Mackey J. McDonald
President and Chief
Operating Officer

VF CORPORATION
DISCRETIONARY EXECUTIVE BONUS PLAN

I. INTRODUCTION

The objective of the Discretionary Executive Bonus Plan (the "Plan") is to provide incentive bonus compensation to senior members of the management team of VF Corporation and its subsidiaries (the "Company") upon the achievement of one or more performance goals established each fiscal year. The Plan is based on the assumption that providing such incentive bonus compensation to the Company's senior management team will motivate them toward an even greater contribution to the results of the Company.

II. DEFINITIONS

- A. COMMITTEE - The Organization and Compensation Committee of the Board of Directors of the Company, or its successor committee.
- B. PARTICIPANT - An employee of the Company designated by the Committee.
- C. PERFORMANCE OBJECTIVE - The goal or goals established by the Committee for each Participant for each Plan Period.
- D. PLAN PERIOD - The Company's fiscal year, commencing with the 1995 fiscal year.
- E. RETIREMENT - As used in the Plan, Retirement is defined as withdrawal from the regular workforce and entitlement to early, normal or late retirement benefits, in accordance with the Company's pension plan.
- F. TARGET INCENTIVE AWARD - The target incentive bonus established by the Committee for a Participant for a Plan Period.

III. OPERATION OF THE PLAN

- A. ESTABLISHMENT OF TARGET INCENTIVE AWARDS - No later than 90 days after the commencement of each Plan Period, the Committee will establish in writing a Target Incentive Award for each Participant for such Plan Period.
- B. ESTABLISHMENT OF PERFORMANCE OBJECTIVE - No later than 90 days after the commencement of each Plan Period, the Committee will establish a range of values for the Performance Objective for such Plan Period based on relative percentages of the Performance Objective attained (the "Incentive Awards").
- C. CALCULATION OF INCENTIVE AWARDS - Incentive Awards will be paid to each Participant by reference to the actual attainment of the Performance Objective relative to the Performance Objective levels established by the Committee for the Plan Period. Notwithstanding the foregoing or any provision of Section IV, the Board of Directors of the Company may in its sole discretion increase or reduce Incentive Awards based on its assessment of individual performance or such other factors as it deems relevant.
- D. PAYMENT OF INCENTIVE AWARDS - Payment of Incentive Awards for a Plan Period will be made in cash as soon as practicable following the determination of the amount of the Incentive Awards.

IV. CONTINGENCIES

- A. EMPLOYMENT TERMINATION - Except as provided in Sections IV.B, IV.C and IV.E regarding permanent disability, death and Retirement, or unless the Committee exercises its discretion under Section IV.D, a Participant who terminates employment voluntarily or who is terminated involuntarily prior to his or her receipt of an Incentive Award payment under this Plan forfeits all such payments. A Participant who is employed by the Company at the end of a Plan Period shall not be deemed or considered to have accrued any right to or vested in an Incentive Award for the Plan Period.
- B. PERMANENT DISABILITY - A Participant whose employment with the Company is terminated by reason of permanent disability is

eligible to participate in the Plan for the Plan Period in which he or she becomes permanently disabled. Subject to the exercise by the Committee of its discretion under Section III.C. the Incentive Award payment will be calculated as if termination had not occurred, but payment will be prorated according to the Participant's actual length of active service during the Plan Period.

- C. DEATH - The estate of a Participant whose employment with the Company is terminated by reason of death during the Plan Period is eligible to receive a pro rata share of the Incentive Award payment to which the Participant would have been entitled. The pro rata share will be calculated according to the Participant's actual length of active service during the Plan Period.
- D. COMMITTEE DISCRETION - The Committee may grant an Incentive Award for a Plan Period to a terminated employee who had been a Plan Participant for part or all of the Plan Period if, in the Committee's judgment, the payment of such Incentive Award would be in the best interest of the Company. Subject to the discretion under Section III.C above, any such Incentive Award payment will be calculated as if termination had not occurred, but with payment prorated according to the Participant's actual length of active service during the Plan Period.
- E. RETIREMENT - A Participant whose Retirement occurs prior to the distribution of an Incentive Award for a Plan Period does not forfeit the payment of such Incentive Award. Subject to the Board of Director's discretion under Section III.C., the Incentive Award payment will be calculated as if Retirement had not occurred, but payment will be prorated according to the Participant's actual length of active service during the Plan Period.

V. ADMINISTRATION

Except as otherwise provided in the Plan, the Committee shall have the authority and responsibility for interpretation and administration of the Plan.

VI. AMENDMENT AND TERMINATION

The Board of Directors of the Company shall have the power to amend, modify, suspend or terminate this Plan or any part thereof at any time.

VII. GENERAL PROVISIONS

- A. NO RIGHT TO EMPLOYMENT - The grant of an Incentive Award shall not be construed as giving a Participant the right to be retained in the employ of the Company, nor will it affect in any way the right of the Company to terminate such employment at any time, with or without cause. In addition, the Company may at any time dismiss a Participant from employment free from any liability or any claim under the Plan, unless otherwise expressly provided in the Plan.
- B. NO LIMIT ON OTHER COMPENSATION ARRANGEMENT - Nothing contained in the Plan shall prevent the Company from adopting or continuing in effect other or additional compensation arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.
- C. GOVERNING LAW - The validity, construction and effect of the Plan or any Incentive Award hereunder shall be determined in accordance with the laws of the Commonwealth of Pennsylvania.
- D. NO TRUST OR FUND CREATED - Neither the Plan nor any Incentive Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a Participant or any other person. To the extent that any Participant or other person acquires a right to receive payments from the Company pursuant to the Plan, such right shall be no greater than the right of any unsecured general creditor of the Company.
- E. HEADINGS - Headings are given to the Sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

VIII. EFFECTIVE DATE

The Plan is effective initially for the fiscal year ended on or about December 31, 1995.

VF CORPORATION
 COMPUTATION OF EARNINGS PER SHARE
 (IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

<TABLE>
 <CAPTION>

	FISCAL YEAR ENDED		
	DECEMBER 31 1994	JANUARY 1 1994	JANUARY 2 1993
<S>	<C>	<C>	<C>
PRIMARY EARNINGS PER SHARE			
Net Income	\$ 274,536	\$ 246,415	\$ 237,031
Less preferred stock dividends	3,430	3,094	4,335
	-----	-----	-----
Net income available to common stockholders	\$ 271,106	\$ 243,321	\$ 232,696
	=====	=====	=====
Average number of common shares outstanding	64,620	64,011	58,608
	=====	=====	=====
Primary earnings per share	\$4.20	\$3.80	\$3.97
	=====	=====	=====
FULLY DILUTED EARNINGS PER SHARE			
Net income	\$ 274,536	\$ 246,415	\$ 237,031
Increased ESOP contribution required if preferred stock were converted to common	1,508	1,567	2,488
	-----	-----	-----
Fully diluted earnings	\$ 273,028	\$ 244,848	\$ 234,543
	=====	=====	=====
Average number of common shares outstanding	64,620	64,011	58,608
Additional common equivalent shares resulting from:			
Conversion of preferred stock	1,623	1,647	1,664
Dilutive effect of stock options	351	367	716
	-----	-----	-----
Average number of common and common equivalent shares	66,594	66,025	60,988
	=====	=====	=====
Fully diluted earnings per share	\$4.10	\$3.71	\$3.85
	=====	=====	=====

</TABLE>

VF CORPORATION QUARTERLY RESULTS OF OPERATIONS

In thousands, Per except per share amounts Share	Net Sales	Gross Profit	Net Income	Earnings Per Common Share		Dividends Common
				Primary	Fully Diluted	
<S>	<C>	<C>	<C>	<C>	<C>	
1994						
FIRST QUARTER .32	\$1,123,035	\$ 362,612	\$ 52,898	\$.81	\$.79	\$
SECOND QUARTER .32	1,186,324	380,175	58,916	.90	.88	
THIRD QUARTER .32	1,373,037	442,077	87,804	1.34	1.31	
FOURTH QUARTER .34	1,289,317	399,554	74,918	1.15	1.12	

-----	\$4,971,713	\$1,584,418	\$274,536	\$4.20	\$4.10	
=====						
1993						
First Quarter .30	\$1,016,644	\$ 323,226	\$ 52,729	\$.83	\$.81	\$
Second Quarter .30	1,053,411	327,546	55,731	.85	.83	
Third Quarter .30	1,152,842	355,044	76,815*	1.18*	1.15*	
Fourth Quarter .32	1,097,507	339,727	61,140	.94	.92	

-----	\$4,320,404	\$1,345,543	\$246,415	\$3.80	\$3.71	
=====						
1992						
First Quarter .27	\$ 817,592	\$ 261,770	\$ 43,692	\$.73	\$.71	\$
Second Quarter .27	852,544	269,203	46,202	.77	.75	
Third Quarter .27	1,125,294	368,215	76,556	1.29	1.25	
Fourth Quarter .30	1,029,019	321,535	70,581**	1.18**	1.14**	

-----	\$3,824,449	\$1,220,723	\$237,031	\$3.97	\$3.85	
=====						

</TABLE>

* Interest income relating to settlement of income tax examinations increased net income by \$15.1 million (\$.24 per share).

** A refund of prior years' income taxes and related interest income increased net income by \$14.4 million (\$.24 per share), and recognition of cumulative postretirement benefits reduced net income by \$4.1 million (\$.07 per share).

[GRAPH]

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VF CORPORATION CONSOLIDATED STATEMENTS OF INCOME

In thousands, except per share amounts	Fiscal year ended	DECEMBER 31, 1994	January 1, 1994	January 2, 1993
<S>		<C>	<C>	<C>
NET SALES		\$4,971,713	\$4,320,404	\$3,824,449
COSTS AND OPERATING EXPENSES				
Cost of products sold		3,387,295	2,974,861	2,603,726
Marketing, administrative and general expenses		1,045,615	913,734	791,343

-----		4,432,910	3,888,595	3,395,069

OPERATING INCOME		538,803	431,809	429,380
OTHER INCOME (EXPENSE)				
Interest income		9,296	35,284	17,453
Interest expense		(80,280)	(72,671)	(71,068)
Miscellaneous, net		(12,158)	5,565	8

-----		(83,142)	(31,822)	(53,607)

INCOME BEFORE INCOME TAXES	455,661	399,987	375,773
INCOME TAXES	181,125	153,572	138,742
NET INCOME	\$ 274,536	\$ 246,415	\$ 237,031
EARNINGS PER COMMON SHARE			
Primary	\$ 4.20	\$ 3.80	\$ 3.97
Fully diluted	4.10	3.71	3.85
CASH DIVIDENDS PER COMMON SHARE	\$ 1.30	\$ 1.22	\$ 1.11
AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	64,620	64,011	58,608

</TABLE>

See notes to consolidated financial statements.

VF CORPORATION SALES AND OPERATING PROFIT BY BUSINESS GROUP (UNAUDITED)

<TABLE>				
<CAPTION>				
In thousands	Fiscal year ended	DECEMBER 31, 1994	January 1, 1994	January 2, 1993
<S>	<C>	<C>	<C>	<C>
NET SALES				
Jeanswear	\$2,547,131	\$2,418,533	\$2,155,212	
Decorated Knitwear	623,272	392,002	443,970	
Intimate Apparel	724,462	668,995	505,210	
Playwear	367,508	196,245	152,810	
Specialty Apparel	709,340	644,629	567,247	
	\$4,971,713	\$4,320,404	\$3,824,449	
OPERATING PROFIT				
Jeanswear	\$ 372,392	\$ 310,165	\$ 300,256	
Decorated Knitwear	32,423	3,853	38,326	
Intimate Apparel	60,347	57,318	53,534	
Playwear	36,457	18,344	2,819	
Specialty Apparel	75,851	80,212	65,666	
	577,470	469,892	460,601	
CORPORATE EXPENSES				
INTEREST, NET	(38,667)	(38,083)	(31,221)	
MISCELLANEOUS, NET	(70,984)	(37,387)	(53,615)	
	(12,158)	5,565	8	
INCOME BEFORE INCOME TAXES	\$ 455,661	\$ 399,987	\$ 375,773	

</TABLE>

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VF CORPORATION MANAGEMENT'S DISCUSSION AND ANALYSIS
OF OPERATIONS AND FINANCIAL CONDITION

ANALYSIS OF OPERATIONS

Net sales in 1994 were up 15% over 1993 and 30% over 1992. Excluding acquisitions, the sales increases were 7% and 17%, respectively. The sales increases within existing divisions resulted primarily from unit volume growth.

Gross margins were 31.9% of sales in 1994, compared with 31.1% in 1993 and 31.9% in 1992. The increase in 1994 over 1993 is due to higher margins in the Jeanswear business group resulting from manufacturing efficiencies. In addition, 1993 was lower than normal due to a provision for capacity reduction in knitwear and significantly reduced margins at Girbaud.

Marketing and administrative expenses were 21.0% of sales in 1994, compared with 21.1% and 20.7% in 1993 and 1992, respectively. The inclusion of the newly acquired international intimate apparel divisions in 1993, which have historically maintained higher operating expense levels, accounted for the increase in 1993 and 1994.

[GRAPH]

Interest expense increased in 1994 due to higher borrowings incurred to fund the acquisitions of H.H. Cutler Company (Cutler) and Nutmeg Industries, Inc. (Nutmeg) in January 1994. Interest income was lower in 1994, as 1993 included \$24.4 million and 1992 included \$8.3 million related to refunds of previous years' income taxes.

The change in miscellaneous (net) in 1994 resulted primarily from higher goodwill amortization expense related to the 1994 acquisitions of Cutler and Nutmeg. Miscellaneous in 1992 was reduced by a \$6.6 million provision representing the cumulative charge for postretirement benefits under Financial Accounting Standards No. 106.

The effective income tax rate was 39.7% in 1994, 38.4% in 1993 and 36.9% in 1992. Income tax expense was higher in 1994 because of additional nondeductible goodwill amortization arising from the 1994 acquisitions. Income tax expense in 1994 and 1993 included the effect of the 1% increase in the United States corporate income tax rate and in 1992 was reduced by a \$9.2 million refund of prior years' taxes.

OPERATING RESULTS BY BUSINESS GROUP

The Jeanswear business group includes the Lee and Wrangler divisions in the United States and in international markets. Also included is the Girbaud division, which designs and markets licensed products in the United States under the Marithe & Francois Girbaud(R) label. Total Jeanswear sales in 1994 increased by 5% over 1993 and 18% over 1992 levels, with international growth at a more rapid rate than in the United States. Operating margins of Wrangler and Lee improved during this period due to increased manufacturing efficiencies and reduced use of outside contractors. Sales and profits at Girbaud, however, have declined in the last two years due to consumer resistance to premium-priced jeans.

The Decorated Knitwear business group consists of Bassett-Walker, JanSport imprinted apparel and, with their acquisitions in 1994, Cutler sports apparel and Nutmeg. The 1994 sales increase was due to the additions of Cutler and Nutmeg. The 1994 profit increase resulted from profits at Cutler and Nutmeg and increased profits at Bassett-Walker, representing a recovery from industry conditions in 1993 characterized by overcapacity and related pricing weakness. In addition, 1993 operating results for this group included a \$15.0 million provision for reduction of knitwear production capacity at Bassett-Walker.

The Intimate Apparel business group includes the operations of Vanity Fair Mills domestically and the intimate apparel divisions in Europe. Sales of the business group increased during 1994 and 1993 due to

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VF CORPORATION CONSOLIDATED BALANCE SHEETS

In thousands	DECEMBER 31, 1994	January 1, 1994
=====		
<TABLE>		
<CAPTION>		
<S>	<C>	<C>
=====		
ASSETS		
CURRENT ASSETS		
Cash and equivalents	\$ 59,742	\$ 151,564
Accounts receivable, less allowances of \$32,794 in 1994 and \$28,808 in 1993	613,337	511,887
Inventories	801,338	778,767
Deferred income taxes	48,388	38,138
Other current assets	28,361	19,824

Total current assets	1,551,166	1,500,180
PROPERTY, PLANT AND EQUIPMENT	767,011	712,759
INTANGIBLE ASSETS	911,285	575,359
OTHER ASSETS	106,146	89,050

	\$3,335,608	\$2,877,348
=====		
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Short-term borrowings	\$ 321,161	\$ 35,648
Current portion of long-term debt	2,773	110,119
Accounts payable	291,088	246,503
Accrued liabilities	297,310	267,578

Total current liabilities	912,332	659,848
LONG-TERM DEBT	516,700	527,573
OTHER LIABILITIES	152,871	126,978
REDEEMABLE PREFERRED STOCK	62,195	63,309
DEFERRED CONTRIBUTIONS TO EMPLOYEE STOCK OWNERSHIP PLAN	(42,499)	(47,760)

	19,696	15,549
COMMON SHAREHOLDERS' EQUITY		
Common Stock, stated value \$1; shares authorized 150,000,000; shares outstanding, 64,164,524 in 1994 and 64,488,660 in 1993	64,165	64,489
Additional paid-in capital	552,927	543,165
Foreign currency translation	4,557	(12,865)
Retained earnings	1,112,360	952,611

	1,734,009	1,547,400

	\$3,335,608	\$2,877,348
=====		
</TABLE>		

See notes to consolidated financial statements.

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VF CORPORATION

growth at Vanity Fair, particularly with the Vassarette brand and private label sales, and from the European companies acquired during 1992. Operating margins have declined due to higher marketing and other expenses in the European companies.

The Playwear business group consists of Healthtex, the Cutler playwear and

sleepwear operations and the preschool sizes of Lee and Wrangler. Growth in playwear sales and profits over the three year period resulted from the acquisition of Cutler in 1994 as well as growth within existing companies.

Red Kap, Jantzen and the equipment division of JanSport are the larger components of the Specialty Apparel group. Sales and profits expanded at each company in both 1994 and 1993, with the exception of Jantzen which in 1994 incurred a restructuring charge to discontinue its men's sportswear and sweater businesses.

ANALYSIS OF FINANCIAL CONDITION

In managing its capital structure, VF balances financial leverage with equity to reduce its overall cost of capital, while providing the flexibility to pursue investment opportunities that may become available.

In January 1993, the Company sold 4.6 million shares of Common Stock. While proceeds were specifically used to repay short-term borrowings that temporarily financed the business acquisitions completed during 1992, the offering provided additional flexibility within the Company's overall capital structure.

[GRAPH]

It is management's goal to maintain a debt to total capital ratio of less than 40%. Our debt to total capital ratio was within these guidelines: 32.7% at the end of 1994 and 30.3% at the end of 1993. Despite our stated goal, we will exceed this level if warranted by appropriate investment opportunities.

[GRAPH]

BALANCE SHEETS

The increase in total assets in 1994 was mostly due to intangible assets related to the acquisitions of Cutler and Nutmeg. Also showing increases were two key components of working capital: accounts receivable and inventories.

Accounts receivable increased due to the 1994 acquisitions, somewhat slower collections and extended terms at international locations. The increase in inventories resulted from the 1994 acquisitions. However, inventories of divisions other than those acquired in 1994 declined from prior year levels despite sales increases.

Short-term borrowings increased in 1994, primarily to finance the acquisitions of Cutler and Nutmeg, and long-term debt was reduced by \$118 million.

The Company enters into foreign currency forward contracts to minimize the effect of fluctuating foreign currencies on cash flows from its foreign operations. Such contracts are not material.

VF CORPORATION CONSOLIDATED STATEMENTS OF CASH FLOWS

In thousands	Fiscal year ended	DECEMBER 31, 1994	January 1, 1994	January 2, 1993
		<C>	<C>	<C>
OPERATIONS				
Net income		\$ 274,536	\$ 246,415	\$ 237,031
Adjustments to reconcile net income to cash provided by operations:				
Depreciation		126,902	106,678	90,866
Amortization of intangible assets		31,609	19,087	17,415
Other, net		(4,973)	(3,177)	(19,215)
Changes in current assets and liabilities:				
Accounts receivable		(45,519)	(24,094)	(95,027)
Inventories		72,061	(41,797)	(160,511)
Accounts payable		14,559	421	48,608
Other, net		10,226	(9,782)	3,893
Cash provided by operations		479,401	293,751	123,060
INVESTMENTS				
Capital expenditures		(132,908)	(209,494)	(207,202)
Business acquisitions		(494,751)	(17,629)	(133,857)
Sale of outlet facilities		-	62,000	-
Other, net		1,053	45,840	8,513
Cash invested		(626,606)	(119,283)	(332,546)
FINANCING				
Increase (decrease) in short-term borrowings		282,739	(86,756)	55,751
Proceeds from long-term debt		99,207	98,557	331,900
Payment of long-term debt		(222,718)	(283,560)	(231,708)
Sale of Common Stock		-	232,068	-
Purchase of Common Stock		(27,878)	-	-
Cash dividends paid		(88,223)	(82,831)	(69,552)
Other, net		12,256	13,298	47,123
Cash provided (used) by financing		55,383	(109,224)	133,514
NET CHANGE IN CASH AND EQUIVALENTS		(91,822)	65,244	(75,972)
CASH AND EQUIVALENTS - BEGINNING OF YEAR		151,564	86,320	162,292

CASH AND EQUIVALENTS - END OF YEAR	\$ 59,742	\$ 151,564	\$ 86,320
------------------------------------	-----------	------------	-----------

</TABLE>

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VF CORPORATION

LIQUIDITY AND CASH FLOW

Working capital declined in 1994 primarily due to short-term borrowings incurred to finance the acquisitions of Cutler and Nutmeg. Accordingly, the current ratio declined from 2.3 to 1 in 1993 to 1.7 to 1 in 1994.

Cash provided by operations of \$479 million in 1994 was significantly higher than prior years due to higher net income and reduced working capital requirements.

[GRAPH]

Capital expenditures were \$133 million in 1994. The higher spending level of the prior two years supported the growth reported during 1994. However, due to continued growth expectations, capital expenditures should increase in 1995 and are expected to be funded by cash flows from operations. In addition, the Company's strong financial position provides substantial unused borrowing capacity to meet other investment opportunities that may arise.

The Company purchased 588,000 shares of its Common Stock during 1994 in open market transactions pursuant to an authorization from the Board of Directors to purchase up to three million shares.

[GRAPH]

Dividends totaled \$1.30 per common share in 1994, compared with \$1.22 in 1993 and \$1.11 in 1992. The dividend payout rate was 31% in 1994, 32% in 1993 and 28% in 1992. The indicated annual dividend rate for 1995 is \$1.36 per share. VF has paid dividends on its Common Stock annually since 1941 and intends to maintain a long-term payout rate of 30%.

OTHER MATTERS

The Company is a defendant in an action initiated in 1990 alleging infringement of a patent allegedly relating to a process, commonly called "acid wash," used in the production of certain denim garments. Similar actions have been brought against other denim apparel manufacturers. The Company is vigorously contesting the action and believes that it has numerous substantive defenses. No trial date has been set. Based on currently available information and the advice of counsel, management is not in a position to determine the likelihood of the outcome of the action with certainty. Notwithstanding, management believes at this time that the outcome will not have a material impact on the financial position of the Company.

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VF CORPORATION CONSOLIDATED STATEMENTS OF COMMON SHAREHOLDERS' EQUITY

<TABLE>
<CAPTION>

In thousands	Common Stock	Additional Paid-in Capital	Foreign Currency Translation	Retained Earnings
<S>	<C>	<C>	<C>	<C>
BALANCE JANUARY 4, 1992	\$ 57,700	\$ 239,987	\$ 16,054	\$ 624,337
Net income	-	-	-	237,031
Cash dividends:				
Common Stock	-	-	-	(65,217)
Series B Preferred Stock	-	-	-	(4,335)
Exercise of stock options, net of shares surrendered	1,819	61,349	-	(2,944)
Foreign currency translation	-	-	(11,810)	-
BALANCE JANUARY 2, 1993	59,519	301,336	4,244	788,872
Net income	-	-	-	246,415
Cash dividends:				
Common Stock	-	-	-	(78,540)
Series B Preferred Stock	-	-	-	(4,291)
Tax benefit from Preferred Stock dividends	-	-	-	1,180
Redemption of Preferred Stock	-	-	-	(264)
Sale of Common Stock	4,600	227,468	-	-
Exercise of stock options, net of shares surrendered	370	14,361	-	(761)
Foreign currency translation, less deferred income taxes of \$6,927	-	-	(17,109)	-
BALANCE JANUARY 1, 1994	64,489	543,165	(12,865)	952,611
Net income	-	-	-	274,536
Cash dividends:				
Common Stock	-	-	-	(83,994)
Series B Preferred Stock	-	-	-	(4,229)
Tax benefit from Preferred Stock dividends	-	-	-	1,082
Redemption of Preferred Stock	-	-	-	(284)
Purchase of treasury shares	(588)	-	-	(27,290)
Exercise of stock options,				

net of shares surrendered	264	9,762	-	(72)
Foreign currency translation, less deferred income taxes of \$9,381	-	-	17,422	-

BALANCE DECEMBER 31, 1994	\$ 64,165	\$ 552,927	\$ 4,557	\$1,112,360
=====				

</TABLE>

See notes to consolidated financial statements.

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MANAGEMENT'S RESPONSIBILITY FOR
FINANCIAL STATEMENTS

Management of VF Corporation has prepared the accompanying financial statements and is responsible for their content. We believe the statements accurately report the financial position and operating results of the Company, on a basis consistent with generally accepted accounting principles and management's best estimates and judgments. Other financial information in this report is consistent with these financial statements.

Management has established a system of internal control which we believe reasonably assures that assets are safeguarded and that financial information is accurately reported. Inherent in all systems of internal control are limitations based on the recognition that the costs of such systems should be related to the benefits to be derived. The internal control system is routinely challenged by management, the independent auditors and our internal audit staff to determine whether the internal control system continues to function effectively. Significant auditor recommendations have been reviewed and adopted when appropriate.

The Audit Committee of the Board of Directors meets periodically with the independent and internal auditors to discuss the scope and findings of audit work performed, the impact of financial reporting issues and the adequacy of the internal control system. The independent auditors and internal auditors have full access to the Committee, with and without the presence of management, to discuss any appropriate matters.

/s/ L. R. PUGH

L. R. PUGH
Chairman and Chief Executive Officer

/s/ G. G. JOHNSON

G. G. JOHNSON
Vice President - Finance and Chief Financial Officer

/s/ R. K. SHEARER

R. K. SHEARER
Vice President - Controller and Chief Accounting Officer

REPORT OF INDEPENDENT AUDITORS

Board of Directors and Shareholders
VF Corporation

We have audited the accompanying consolidated balance sheets of VF Corporation as of December 31, 1994 and January 1, 1994, and the related consolidated statements of income, cash flows, and common shareholders' equity for each of the three fiscal years in the period ended December 31, 1994. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of VF Corporation at December 31, 1994 and January 1, 1994, and the consolidated results of its operations and its cash flows for each of the three fiscal years in the period ended December 31, 1994 in conformity with generally accepted accounting principles.

Reading, Pennsylvania
February 8, 1995

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VF CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company's principal business is designing, manufacturing and marketing high quality jeanswear, knitwear, intimate apparel, children's playwear and other apparel. The Company's customers are primarily department, discount and specialty stores.

NOTE A - ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION: The consolidated financial statements include the accounts of all wholly owned subsidiaries after elimination of intercompany transactions and profits.

INVENTORIES are stated at the lower of cost or market. Inventories stated on the last-in, first-out basis represent 33% of total 1994 and 32% of 1993 inventories. Remaining inventories are valued using the first-in, first-out method.

PROPERTY AND DEPRECIATION: Property, plant and equipment are stated at cost. Depreciation is computed principally by the straight-line method for financial reporting purposes and by accelerated methods for income tax purposes.

INTANGIBLE ASSETS represent the excess of costs over the fair value of net tangible assets of businesses acquired, less accumulated amortization of \$174.0 million and \$140.0 million in 1994 and 1993. These assets are amortized on the straight-line method over five to forty years. The Company periodically reviews intangible assets to assess recoverability based on projected operating income of the related business unit.

EARNINGS PER SHARE: Primary earnings per share are computed by dividing net income, after deducting preferred dividends, by the weighted average number of common shares outstanding. Fully diluted earnings per share assume the conversion of Preferred Stock and the exercise of stock options that have a dilutive effect.

NOTE B - ACQUISITIONS

On January 4, 1994, the Company acquired the common stock of H.H. Cutler Company for a total consideration of \$154.7 million. On January 19, 1994, the Company acquired the common stock of Nutmeg Industries, Inc. for a total consideration of \$352.2 million. Both companies manufacture and market licensed apparel.

In December 1993, the Company acquired the principal operating assets of Central Corsetera, S.A. for \$17.6 million. During 1992, the Company acquired the common stock of The Valero Group (Valero), Vives Vidal, S.A. (Vivesa) and Jean Bellanger Enterprises (JBE) for an aggregate purchase price of \$150.9 million. These companies manufacture and market branded intimate apparel primarily in France and Spain.

All acquisitions have been accounted for as purchases, and accordingly, operating results of these companies have been included in the consolidated financial statements since the dates of acquisition.

The following unaudited pro forma results of operations for 1993 assume that the acquisitions of H.H. Cutler Company and Nutmeg Industries, Inc. had occurred at January 3, 1993:

<TABLE>	
<CAPTION>	
(In thousands, except per share amounts)	

<S>	<C>
Net sales	\$4,710,557
Net income	232,034
Earnings per common share	
Primary	\$ 3.58
Fully diluted	3.49
=====	

</TABLE>

NOTE C - INVENTORIES

<TABLE>		
<CAPTION>		
In thousands	1994	1993

<S>	<C>	<C>
Finished products	\$473,646	\$486,045
Work in process	139,255	119,582
Materials and supplies	188,437	173,140

	\$801,338	\$778,767
=====		

</TABLE>

The current cost of inventories stated on the last-in, first-out method (see Note A) is not significantly different from their value determined under the first-in, first-out method.

NOTE D - PROPERTY, PLANT AND EQUIPMENT

<TABLE>
<CAPTION>

In thousands	1994	1993
Land	\$ 42,745	\$ 40,612
Buildings	391,250	346,656
Machinery and equipment	969,857	862,755
	1,403,852	1,250,023
Less accumulated depreciation	636,841	537,264
	\$ 767,011	\$ 712,759

=====

</TABLE>

NOTE E - SHORT-TERM BORROWINGS

<TABLE>
<CAPTION>

(In thousands)	1994	1993
Commercial paper	\$216,703	\$ -
Banks	104,458	35,648
	\$321,161	\$35,648

=====

</TABLE>

The weighted average interest rate was 6.16% at the end of 1994 and 10.70% at the end of 1993.

VF CORPORATION

The Company maintains an unsecured revolving credit agreement with a group of banks for \$750.0 million that supports commercial paper borrowings and is otherwise available for general corporate purposes. The agreement requires a .12% fee on the unused portion and extends to 1999. At December 31, 1994, there was \$75.0 million outstanding under the agreement.

NOTE F - ACCRUED LIABILITIES

<TABLE>
<CAPTION>

In thousands	1994	1993
Income taxes	\$ 43,220	\$ 41,270
Compensation	64,147	48,633
Insurance	38,940	27,345
Other	151,003	150,330
	\$ 297,310	\$ 267,578

=====

</TABLE>

NOTE G - LONG-TERM DEBT

<TABLE>
<CAPTION>

In thousands	1994	1993
9.40% notes, due 1996	\$ -	\$100,000
8.00% notes, due 1997	-	100,000
9.50% notes, due 1999	100,000	100,000
9.50% notes, due 2001	100,000	100,000
6.63% notes, due 2003	100,000	100,000
7.60% notes, due 2004	100,000	-
9.25% debentures, due 2022	100,000	100,000
Capital leases and other	19,473	37,692
	519,473	637,692

=====

Less current portion	2,773	110,119
	-----	-----
	\$516,700	\$527,573
	=====	=====

</TABLE>

The scheduled payments of long-term debt are \$2.6 million in 1996, \$2.2 million in 1997, \$1.0 million in 1998 and \$100.8 million in 1999. The 1997 notes were called for redemption in January 1994 and, accordingly, were classified as a current obligation at January 1, 1994. The Company paid interest of \$83.1 million in 1994, \$70.3 million in 1993 and \$68.1 million in 1992.

NOTE H - OTHER LIABILITIES

<TABLE>		
<CAPTION>		
In thousands	1994	1993
	-----	-----
<S>	<C>	<C>
Deferred income taxes	\$ 64,830	\$ 60,446
Deferred compensation	49,283	30,782
Other	38,758	35,750
	-----	-----
	\$152,871	\$126,978
	=====	=====

</TABLE>

NOTE I - BENEFIT PLANS

The Company sponsors a noncontributory defined benefit pension plan covering substantially all full-time domestic employees. Benefits are based on employees' compensation and years of service. The Company annually contributes amounts, as determined by an actuary, that provide the plan with sufficient assets to meet future benefit payments. Plan assets consist principally of common stocks, U.S. government obligations and corporate obligations.

The effect of the defined benefit plan on income is as follows:

<TABLE>			
<CAPTION>			
In thousands	1994	1993	1992
	-----	-----	-----
<S>	<C>	<C>	<C>
Service cost - benefits earned during the year	\$ 16,230	\$ 10,337	\$ 8,568
Interest cost on projected benefit obligation	25,639	22,148	18,934
Actual return on plan assets	(5,193)	(34,895)	(19,646)
Net amortization and deferral	(18,124)	12,574	(1,884)
	-----	-----	-----
Pension expense	\$ 18,552	\$ 10,164	\$ 5,972
	=====	=====	=====

</TABLE>

The funded status of the defined benefit plan is as follows:

<TABLE>		
<CAPTION>		
In thousands	1994	1993
	-----	-----
<S>	<C>	<C>
Present value of vested benefits	\$251,540	\$265,457
	-----	-----
Present value of accumulated benefits	\$273,037	\$285,390
	-----	-----
Plan assets at fair value	\$286,554	\$289,324
Present value of projected benefits	313,150	332,656
	-----	-----
Funded status	(26,596)	(43,332)
Unrecognized net loss	22,468	42,147
Unrecognized net asset	(16,202)	(20,580)
Unrecognized prior service cost	28,182	33,169
	-----	-----
Pension asset recorded in Other Assets	\$ 7,852	\$ 11,404
	=====	=====

</TABLE>

The projected benefit obligation was determined using an assumed discount rate of 8.25% in 1994, 7.50% in 1993 and 9.00% in 1992. The assumptions for compensation increases were 5.00% in 1994 and 1993 and 5.50% in 1992; the assumption for return on plan assets was 8.75% in each year.

The Company also sponsors an Employee Stock Ownership Plan (ESOP) as part of a 401(k) savings plan covering most domestic salaried employees. Contributions made by the Company to the 401(k) plan are based on a specified percentage of employee contributions. Cash contributions by the Company were \$5.6 million in 1994, \$4.5 million in 1993 and \$4.0 million in 1992. Plan expense was \$6.4 million for 1994 and \$6.0 million for 1993 and 1992, after giving effect to tax-deductible dividends on the Series B Preferred Stock of \$4.2 million in 1994 and \$4.3 million in 1993 and 1992.

NOTE J - CAPITAL

Common shares outstanding are net of shares held in treasury of 2,358,675 in 1994, 1,769,131 in 1993 and 1,766,832 in 1992. In January 1993, the Company issued 4,600,000 shares of Common Stock in a public offering. The net proceeds were used to repay borrowings incurred to purchase Valero, Vivesa and JBE. (See Note B.)

VF CORPORATION

There are 25,000,000 authorized shares of Preferred Stock, \$1 par value. As of December 31, 1994, 2,000,000 shares are designated as Series A Preferred Stock, of which none have been issued. In addition, 2,105,263 shares are designated as 6.75% Series B Preferred Stock, which were purchased by the ESOP.

There were 2,014,427 shares of Series B Preferred Stock outstanding at December 31, 1994, 2,050,491 shares outstanding at January 1, 1994 and 2,069,965 shares at January 2, 1993, after share redemptions.

Each outstanding share of Common Stock has one preferred stock purchase right attached. The rights become exercisable ten days after an outside party acquires, or makes an offer for, 20% or more of the Common Stock. Each right entitles its holder to buy 1/100 share of Series A Preferred Stock for \$100. Once exercisable, if the Company is involved in a merger or other business combination or an outside party acquires 20% or more of the Common Stock, each right will be modified to entitle its holder (other than the acquiror) to purchase common stock of the acquiring company or, in certain circumstances, VF Common Stock having a market value of twice the exercise price of the right. In some circumstances, rights other than those held by an acquiror may be exchanged for one share of VF Common Stock or 1/100 share of Series A Preferred Stock. The rights, which expire on January 13, 1998, may be redeemed at \$.01 per right prior to their becoming exercisable.

NOTE K - REDEEMABLE PREFERRED STOCK

Each share of Series B Preferred Stock has a redemption value of \$30.88 plus cumulative accrued dividends, is convertible into 8/10 share of Common Stock and is entitled to one vote per share along with the Common Stock. The trustee for the ESOP may convert the preferred shares to Common Stock at any time or may cause the Company to redeem the preferred shares under certain circumstances. The Series B Preferred Stock also has preference in liquidation over all other stock issues.

The ESOP's purchase of the preferred shares was funded by a loan of \$65.0 million from the Company that bears interest at 9.80% and is payable in increasing installments through 2003. Interest related to this loan was \$5.3 million in 1994, \$5.7 million in 1993 and \$6.0 million in 1992. Principal and interest obligations on the loan are satisfied as the Company makes contributions to the savings plan and dividends are paid on the Preferred Stock. As principal payments are made on the loan, shares of Preferred Stock are allocated to participating employees' accounts within the ESOP.

NOTE L - STOCK OPTIONS

The Company has granted nonqualified and incentive stock options under two stock option plans at prices not less than fair market value on the date of grant. Options become exercisable one year after the date of grant and expire ten years after the date of grant unless otherwise specified by the Board of Directors.

Changes in the status of the stock option plans are summarized as follows:

	Shares Under Option	Shares Available for Option
<S>	<C>	<C>
Balance January 1, 1994	4,168,291	2,115,446
Options granted	1,015,475	(1,015,475)
Options exercised at \$13.03 to \$45.20 per share	(265,408)	-
Options canceled	(178,870)	174,869
Balance December 31, 1994	4,739,488	1,274,840
Options exercisable at December 31, 1994 at \$13.03 to \$57.20 per share	3,724,013	

</TABLE>

NOTE M - INCOME TAXES

The provision for income taxes is computed based on the following amounts of income before income taxes:

	1994	1993	1992
<S>	<C>	<C>	<C>

Domestic	\$409,806	\$356,109	\$363,732
Foreign	45,855	43,878	12,041
	\$455,661	\$399,987	\$375,773

</TABLE>

The provision for income taxes consists of:

<TABLE> <CAPTION>			
In thousands	1994	1993	1992
	<C>	<C>	<C>
Current:			
Federal	\$149,000	\$125,966	\$111,501
Foreign	24,649	17,863	17,404
State	12,978	13,806	15,973
Deferred, primarily federal	186,627 (5,502)	157,635 (4,063)	144,878 (6,136)
	\$181,125	\$153,572	\$138,742

</TABLE>

The reasons for the difference between income taxes computed by applying the statutory federal income tax rate and income tax expense in the financial statements are as follows:

<TABLE> <CAPTION>			
In thousands	1994	1993	1992
	<C>	<C>	<C>
Tax at federal statutory rate	\$159,481	\$139,995	\$127,763
State income taxes, net of federal tax benefit	8,436	8,974	10,542
Amortization of intangible assets	7,126	4,234	4,781
Tax refund	-	-	(9,208)
Other, net	6,082	369	4,864
	\$181,125	\$153,572	\$138,742

</TABLE>

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VF CORPORATION

Deferred income tax liabilities and assets consist of the following:

<TABLE> <CAPTION>		
In thousands	1994	1993
	<C>	<C>
Depreciation	\$ 65,767	\$ 62,731
Inventories	21,207	22,141
Unremitted foreign earnings	12,812	16,341
Other	13,974	7,317
Deferred income tax liabilities	\$113,760	\$108,530
Employee benefits	\$ 27,758	\$ 21,699
Other accrued expenses	51,095	44,872
Inventories	18,748	14,278
Operating loss carryforwards	12,988	10,135
Foreign currency translation	-	6,927
Valuation allowance	110,589 (10,866)	97,911 (6,733)
Deferred income tax assets	\$ 99,723	\$ 91,178

</TABLE>

Income taxes paid were \$177.0 million in 1994, \$152.1 million in 1993 and \$145.0 million in 1992. Interest income in 1993 includes \$24.4 million and in 1992 includes \$8.3 million relating to settlements of tax examinations of acquired companies.

NOTE N - LEASES

The Company leases certain facilities and equipment under noncancelable operating leases. Rental expense was \$55.5 million in 1994, \$46.9 million in 1993 and \$30.2 million in 1992. Future minimum lease payments are \$50.0 million, \$39.6 million, \$29.7 million, \$22.1 million and \$16.5 million for the years 1995 through 1999 and \$56.2 million thereafter.

NOTE O - OPERATIONS BY GEOGRAPHIC AREA

<TABLE>

<CAPTION> In thousands	1994	1993	1992
<S>	<C>	<C>	<C>
Net sales:			
United States	\$4,209,090	\$3,678,577	\$3,404,171
Foreign	762,623	641,827	420,278
	\$4,971,713	\$4,320,404	\$3,824,449
Operating profit:			
United States	\$ 497,099	\$ 399,001	\$ 426,348
Foreign	80,373	70,891	34,253
	577,472	469,892	460,601
Corporate expenses	(38,669)	(38,083)	(31,221)
Interest, net	(70,984)	(37,387)	(53,615)
Miscellaneous, net	(12,158)	5,565	8
Income before income taxes	\$ 455,661	\$ 399,987	\$ 375,773
Identifiable assets:			
United States	\$2,632,079	\$2,178,754	\$2,122,334
Foreign	610,543	562,053	503,324
Corporate	92,986	136,541	86,722
	\$3,335,608	\$2,877,348	\$2,712,380

</TABLE>

Foreign operations are conducted primarily in Europe. Foreign operations located elsewhere are not significant. Corporate assets consist primarily of cash and cash equivalents.

NOTE P - FINANCIAL INSTRUMENTS

The following represents the carrying amount and fair value of financial instruments included in the balance sheets under the indicated captions:

<CAPTION> In thousands	1994		1993	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<S>	<C>	<C>	<C>	<C>
Financial liabilities:				
Short-term borrowings	\$321,161	\$321,161	\$ 35,648	\$ 35,648
Long-term debt	516,700	506,900	527,573	579,373
Redeemable Preferred Stock	62,195	78,361	63,309	75,709

</TABLE>

The fair value of the Company's short-term and long-term debt is estimated based on quoted market prices or values of comparable borrowings. The fair value of the Series B Preferred Stock is based on a valuation by an independent financial consulting firm.

VF CORPORATION FINANCIAL SUMMARY

<CAPTION> In thousands, except per share amounts	1994		1993		1992		1991	
	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
SUMMARY OF OPERATIONS								
Net sales	\$ 4,971,713	\$ 4,320,404	\$ 3,824,449	\$ 2,952,433				
Cost of products sold	3,387,295	2,974,861	2,603,726	2,039,787				
Gross profit	1,584,418	1,345,543	1,220,723	912,646				
Marketing, administrative and general expenses	1,045,615	913,734	791,343	608,592				
Operating income	538,803	431,809	429,380	304,054				
Interest, net	(70,984)	(37,387)	(53,615)	(55,155)				
Miscellaneous, net	(12,158)	5,565	8	14,298				
Income before income taxes	455,661	399,987	375,773	263,197				
Income taxes	181,125	153,572	138,742	101,867				

Net income	\$	274,536	\$	246,415	\$	237,031	\$	161,330

-								
Per share of Common Stock(1)								
Earnings - primary	\$	4.20	\$	3.80	\$	3.97	\$	2.75
Dividends		1.30		1.22		1.11		1.02
Average number of common shares outstanding		64,620		64,011		58,608		57,152
Net income as % of average common shareholders' equity		16.8%		16.9%		23.0%		18.8%
Net income as % of average total assets		7.9%		8.5%		9.7%		8.0%

FINANCIAL POSITION

Accounts receivable, net	\$	613,337	\$	511,887	\$	493,030	\$	333,073
Inventories		801,338		778,767		742,474		537,027
Total current assets		1,551,166		1,500,180		1,365,573		1,071,109
Property, plant and equipment, net		767,011		712,759		711,087		577,019
Total assets		3,335,608		2,877,348		2,712,380		2,126,913
Total current liabilities		912,332		659,848		684,002		510,776
Long-term debt		516,700		527,573		767,641		583,209
Common shareholders' equity		1,734,009		1,547,400		1,153,971		938,078

OTHER STATISTICS

Working capital	\$	638,834	\$	840,332	\$	681,571	\$	560,333
Current ratio		1.7		2.3		2.0		2.1
Debt to total capital ratio (2)		32.7%		30.3%		44.8%		42.2%
Dividends	\$	88,223	\$	82,831	\$	69,552	\$	62,712
Purchase of Common Stock		27,878		--		--		--
Cash provided by operations		479,401		293,751		123,060		287,172
Capital expenditures (excluding acquisitions)		132,908		209,494		207,202		110,762
Depreciation and amortization		158,511		125,765		108,281		90,991

MARKET DATA

Market price range(1)	\$	53 3/4-44 1/4	\$	56 1/2-39 1/2	\$	57 1/2-38 1/2	\$	41 1/2-17 5/8
Book value per common share(1)		27.02		23.99		19.39		16.26
Price earnings ratio - high-low		12.8-10.5		14.9-10.4		14.5-9.7		15.1-6.4
Rate of payout(3)		31.0%		32.1%		28.0%		37.1%

</TABLE>

(1) Per share computations and market price ranges have been adjusted to reflect a two-for-one stock split in April 1986.

(2) Capital is defined as common shareholders' equity plus short-term and long-term debt.

(3) Dividends per share divided by earnings per share.

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<TABLE>

<CAPTION>

	1990	1989	1988	1987	1986	1985	1984
	\$ 2,612,613	\$ 2,532,711	\$ 2,516,107	\$2,573,762	\$1,544,574	\$1,481,182	\$ 1,167,356
	1,874,590	1,753,476	1,751,577	1,758,773	1,002,856	951,368	742,959
	738,023	779,235	764,530	814,989	541,718	529,814	424,397
	530,770	466,371	459,929	456,383	278,175	239,825	191,589
	207,253	312,864	304,601	358,606	263,543	289,989	232,808
	(64,938)	(38,908)	(38,232)	(50,631)	(18,319)	(19,338)	1,875
	769	9,789	8,561	5,770	4,219	1,466	5,948
	143,084	283,745	274,930	313,745	249,443	272,117	240,631
	61,960	107,734	101,270	134,051	112,985	132,700	115,885
	\$ 81,124	\$ 176,011	\$ 173,660	\$ 179,694	\$ 136,458	\$ 139,417	\$ 124,746
	\$ 1.35	\$ 2.72	\$ 2.55	\$ 2.65	\$ 2.16	\$ 2.25	\$ 1.96
	1.00	.91	.85	.75	.66	.58	.52
	57,122	64,803	68,165	67,793	63,068	61,963	63,706
	9.9%	17.4%	16.8%	19.8%	21.5%	28.4%	

29.8%

	4.1%	9.3%	9.1%	9.4%	12.3%	16.2%	
19.7%							
	\$ 301,032	\$ 319,981	\$ 266,399	\$ 285,370	\$ 267,368	\$ 148,423	\$ 135,750
	436,657	507,451	422,801	493,024	465,988	208,745	175,812
	824,249	873,532	786,466	912,038	877,064	436,804	378,017
	537,178	513,927	482,248	507,106	488,898	315,538	304,067
	1,852,829	1,889,764	1,759,862	1,925,656	1,897,782	860,193	807,675
	351,462	325,057	231,024	463,993	452,876	145,052	188,774
	585,142	637,549	302,348	322,888	437,558	124,280	153,294
	823,126	819,777	1,095,383	980,591	831,249	554,223	441,370
	\$ 472,787	\$ 548,475	\$ 555,442	\$ 448,045	\$ 424,188	\$ 291,752	\$ 189,243
	2.3	2.7	3.4	2.0	1.9	3.0	2.0
	44.9%	47.3%	22.9%	35.7%	45.4%	23.1%	
34.1%							
	\$ 61,133	\$ 57,313	\$ 57,958	\$ 50,862	\$ 42,124	\$ 36,026	\$ 32,607
	29,950	395,213	--	--	--	--	47,940
	284,378	172,822	328,260	250,121	164,072	152,336	195,260
	110,143	125,294	64,137	90,817	60,775	53,142	30,714
	97,850	91,029	88,934	89,689	54,966	50,075	26,842
	\$34 1/4-11 5/8	\$38 3/8-27 3/4	\$33 7/8-24 3/4	\$48 1/4-22	\$ 36-24	\$ 27-13	\$16 1/4-10 7/8
	14.44	14.14	16.05	14.43	12.30	8.91	7.14
	25.4-8.6	14.1-10.2	13.3-9.7	18.2-8.3	16.7-11.1	12.0-5.8	8.3-5.5
	74.1%	33.5%	33.3%	28.3%	30.6%	25.8%	
26.3%							

</TABLE>

VF CORPORATION INVESTOR INFORMATION

COMMON STOCK

Listed on the New York Stock Exchange and Pacific Stock Exchange -- trading symbol VFC.

SHAREHOLDERS OF RECORD

As of February 1, 1995, there were 8,238 shareholders of record.

DIVIDEND POLICY

Quarterly dividends on VF Corporation Common Stock, when declared, are usually paid on or about the 20th day of March, June, September and December.

DIVIDEND REINVESTMENT PLAN

The Plan is offered to shareholders by First Chicago Trust Company of New York. The Plan provides for automatic dividend reinvestment and voluntary cash contributions for the purchase of additional shares of VF Corporation Common Stock. Questions concerning general Plan information should be directed to the Office of the Vice President - Secretary of VF Corporation.

DIVIDEND DIRECT DEPOSIT

Shareholders may have their dividends deposited into their savings or checking account at any bank that is a member of the Automated Clearing House (ACH) system. A brochure describing this service may be obtained by contacting First Chicago or VF Corporation.

QUARTERLY COMMON STOCK PRICE INFORMATION

The high and low sales prices for the periods indicated were as follows:

	1994		1993		1992	
	High	Low	High	Low	High	Low
<S>	<C>	<C>	<C>	<C>	<C>	<C>
First quarter	\$51 7/8	\$44 1/2	\$56 1/2	\$44 3/4	\$46 7/8	\$38 1/2
Second quarter	53 3/4	46	51 3/4	45 3/4	47 7/8	40 1/2
Third quarter	52 7/8	46 1/2	47 1/4	40 3/8	50 1/4	43
Fourth quarter	51 5/8	44 1/4	46 1/4	39 1/2	57 1/2	45 1/8

</TABLE>

VF CORPORATION
SUBSIDIARIES OF THE CORPORATION

Following is a listing of the significant subsidiaries of the Corporation, all of which are wholly owned:

<TABLE> <CAPTION>	NAME	JURISDICTION OF ORGANIZATION
-----	-----	-----
<S>		<C>
	Bassett-Walker Apparel Corp.	Delaware
	Bassett-Walker, Inc.	Virginia
	H.H. Cutler Company	Michigan
	D. J. Industries, Inc.	Delaware
	Healthtex, Inc.	Delaware
	Healthtex Apparel Corp.	Delaware
	JanSport, Inc.	Delaware
	JanSport Apparel Corp.	Delaware
	Jantzen Inc.	Nevada
	Jantzen Apparel Corp.	Delaware
	Lee Apparel Company, Inc.	Pennsylvania
	Lee Apparel (U.K.) Ltd.	N. Ireland
	The H. D. Lee Gmbh	Germany
	The H. D. Lee Company, Inc.	Delaware
	Lee Europe N. V.	Belgium
	Les Dessous Feminins Sandefo, S.A.	France
	Lou Diffusion, S.A.	France
	Nutmeg Industries, Inc.	Florida
	Red Kap Industries, Inc.	Delaware
	Red Kap Apparel Corp.	Delaware
	VF Factory Outlet, Inc.	Delaware
	VF International Division, Inc.	Delaware
	VF France, S.A.	France
	Vanity Fair, Inc.	Delaware
	Vanity Fair Mills, Inc.	Alabama
	Vives Vidal, S.A.	Spain
	Wrangler Limited	United Kingdom
	Wrangler Germany Gmbh	Germany
	Wrangler Apparel Corp.	Delaware
	Wrangler, Inc.	Alabama
	Wrangler Clothing Corp.	Delaware

Excludes subsidiaries which, if considered as a single subsidiary, or after taking into account the elimination of intercompany accounts, would not constitute a significant subsidiary at December 31, 1994.

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in this Annual Report (Form 10-K) of VF Corporation of our report dated February 8, 1995, included in the 1994 Annual Report to Shareholders of VF Corporation.

Our audits also included the financial statement schedule of VF Corporation listed in item 14(a). This schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also consent to the incorporation by reference in (1) Registration Statement No. 33-55014, which acts as Post-Effective Amendment No. 2 to Registration Statement No. 33-26566 on Form S-8/S-3, and Post-Effective Amendment No. 6 to Registration Statement No. 2-85579 on Form S-8/S-3, (2) Registration Statement No. 33-33621 on Form S-8, which acts as Post-Effective Amendment No. 2 to Registration Statement No. 2-99945 on Form S-8, (3) Registration Statement No. 33-10491 on Form S-3, (4) Registration Statement No. 33-41241 on Form S-8, and (5) Registration Statement No. 33-53231 on Form S-3 of our report dated February 8, 1995, with respect to the consolidated financial statements incorporated herein by reference and our report included in the preceding paragraph with respect to the financial statement schedule included in the 1994 Annual Report (Form 10-K) of VF Corporation.

/s/ ERNST & YOUNG LLP

Reading, Pennsylvania
March 24, 1995

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in (1) Registration Statement No. 33-55014, which acts as Post-Effective Amendment No. 2 to Registration Statement No. 33-26566 on Form S-8/S-3, and Post-Effective Amendment No. 6 to Registration Statement No. 2-85579 on Form S-8/S-3, and (2) Registration Statement No. 33-33621 on Form S-8, which acts as Post-Effective Amendment No. 2 to Registration Statement No. 2-99945 on Form S-8 of our report dated March 10, 1995, with respect to the financial statements included in the Annual Report on Form 11-K of the VF Corporation Tax-Advantaged Savings Plan for Salaried Employees for the year ended December 31, 1994.

/s/ ERNST & YOUNG LLP

Reading, Pennsylvania
March 24, 1995

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that V.F. Corporation and the undersigned directors and officers of V.F. Corporation do hereby constitute and appoint G. G. Johnson, L. M. Tarnoski and R. K. Shearer, and each of them, true and lawful attorneys-in-fact of the undersigned to execute on their behalf the Annual Report of V.F. Corporation on Form 10-K (including any amendments thereof) of the Securities and Exchange Commission for the fiscal year of V.F. Corporation ended December 31, 1994.

IN WITNESS WHEREOF, each of the undersigned has duly executed this Power of Attorney this 14th day of February, 1995.

<TABLE>
<CAPTION>

ATTEST: V. F. CORPORATION
<S> <C>
/s/ L. M. Tarnoski By: /s/ L. R. Pugh

L. M. Tarnoski L. R. Pugh
Secretary Chairman of the Board and
Chief Executive Officer

Principal Executive Officer: Principal Financial Officer:
/s/ L. R. Pugh /s/ G. G. Johnson

L. R. Pugh, Chairman of the Board, G. G. Johnson, Vice President-Finance and
Chief Executive Officer Chief Financial Officer
and Director

Principal Accounting Officer:
/s/ R. K. Shearer /s/ Robert D. Buzzell

R. K. Shearer, Vice President - Robert D. Buzzell, Director
Controller

/s/ Edward E. Crutchfield, Jr. /s/ Ursula F. Fairbairn

Edward E. Crutchfield, Jr., Ursula F. Fairbairn, Director
Director

/s/ Barbara S. Feigin /s/ Roger S. Hillas

Barbara S. Feigin, Director Roger S. Hillas, Director

/s/ Leon C. Holt, Jr. /s/ Robert J. Hurst

Leon C. Holt, Jr., Director Robert J. Hurst, Director

/s/ J. Berkley Ingram, Jr. /s/ R. F. Longbine

J. Berkley Ingram, Jr., Director R. F. Longbine, Director

/s/ Mackey J. McDonald /s/ William E. Pike

Mackey J. McDonald, Director William E. Pike, Director

/s/ M. Rust Sharp /s/ L. D. Walker

M. Rust Sharp, Director L. D. Walker, Director

</TABLE>

<TABLE> <S> <C>

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EXHIBIT 27

VF CORPORATION
FINANCIAL DATA SCHEDULE

This schedule contains summary financial information extracted from the 1994 Annual Report and is qualified in its entirety by reference to such financial statements.

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

Annual Report

/X/ Annual Report Pursuant to Section 15(d) of the Securities Exchange Act of 1934 [Fee Required]

For the year ended December 31, 1994

or

/ / Transition Report Pursuant to Section 15(d) of the Securities Exchange Act of 1934 [No Fee Required]

For the transition period from _____ to _____

Commission file number 1-5256

VF CORPORATION TAX-ADVANTAGED SAVINGS PLAN FOR SALARIED EMPLOYEES
(Full title of plan)

1047 NORTH PARK ROAD, WYOMISSING, PA 19610

(Address of principal offices)

Registrant's telephone number, including area code (610) 378-1151

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Item 1. Changes in the Plan

Effective April 1, 1994, the amount of compensation which eligible employees may elect to contribute to the Plan increased from 8% to 10%.

Item 2. Changes in Investment Policy

There have been no changes during the year in the policy with respect to the kind of securities or other investments in which funds held under the Plan may be invested.

Item 3. Contributions Under the Plan

Contributions made by VF Corporation (the Corporation) are measured by reference to the employee's contributions and are not discretionary.

Item 4. Participating Employees

There were approximately 7,482 enrolled participants in the Plan as of December 31, 1994, out of approximately 8,512 eligible employees.

Item 5. Administration of the Plan

(a) The Plan provides that a Committee of three persons be appointed to administer the Plan. The Committee, the VF Corporation Pension Plan Committee, is comprised of the following officers of the Corporation: Lori M. Tarnoski, Vice President-Secretary; Frank C. Pickard III, Vice President-Treasurer; and Harold E. Addis, Vice President - Human Resources and Administration. All committee persons are located at the Corporation's headquarters: 1047 North Park Road, Wyomissing, PA 19610. Each of these individuals is an employee of the Corporation. The Committee has the power to adopt rules and regulations for carrying out and administering the Plan and has the full authority and power to construe, interpret and administer the Plan. Committee members receive no compensation from the Plan.

(b) All expenses of administration of the Plan, including Trustee fees, are

paid by the Corporation.

Item 6. Custodian of Investments

- (a) The Corporation has entered into a Trust Agreement under which UMB Bank, n.a., 10th and Grand, P.O. Box 419692, Kansas City, MO 64141-6692, has been appointed as Trustee under the Plan. Under the terms of the Trust Agreement, UMB Bank, n.a. holds and invests all assets of the Plan, subject to the direction of each of the participants of the Plan regarding the fund or funds to receive contributions.
- (b) The custodian's compensation is paid by the Corporation.
- (c) No bond was furnished or is required to be furnished by the Trustee.

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Item 7. Reports to Participating Employees

Each participant receives a quarterly statement showing the amounts contributed by him/her to each of the funds during the calendar quarter and the market values as of the end of each quarter. The statement also shows the Corporation's matching contributions allocated to the participant through the Employee Stock Ownership Plan, which are invested in ESOP Preferred Stock, and the fair values based on the preferred stock's stated redemption price of \$30.875 per share or 80% of the market value of the Corporation's Common Stock, whichever is greater.

Item 8. Investment of Funds

Each participant by written election directs the Trustee to invest his/her own contributions in one or more of the following funds:

- Money Market Fund
- Fixed Income Fund
- Equity Growth & Income Fund
- Equity Growth Fund
- VF Corporation Common Stock Fund (investing in common stock of the Corporation)

Brokerage commissions of \$6,859, \$6,436, and \$6,166 for the years ended December 31, 1994, 1993 and 1992 were paid by the Trustee to acquire the Corporation's common stock for the Plan.

The Corporation's matching contributions go solely to the ESOP. These contributions are allocated to participants who receive full value in the form of ESOP Preferred Stock and are used by the ESOP to pay debt service on a loan from the Corporation.

Item 9. Financial Statements and Exhibits

(a) Financial Statements	Page No.
Report of Independent Auditors	5
Statements of Net Assets Available for Benefits - For the Years Ended December 31, 1994 and 1993	
- Combined Plan	6
- Money Market Fund and Fixed Income Fund	7
- Equity Growth & Income Fund and Equity Growth Fund	8
- VF Corporation Common Stock Fund and Employee Stock Ownership Plan	9
Statements of Changes in Net Assets Available for Benefits - For the Years Ended December 31, 1994, 1993 and 1992	
- Combined Plan	10
- Money Market Fund	11
- Fixed Income Fund	12
- Equity Growth & Income Fund	13
- Equity Growth Fund	14
- VF Corporation Common Stock Fund	15
- Employee Stock Ownership Plan	16
Notes to Financial Statements	17
Schedules:	
Schedules I, II and III have been omitted because the required information is included in the financial statements and the related notes.	

(b) Exhibits - none

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the VF Corporation Pension Plan Committee has duly caused this annual report to be signed by the undersigned thereunto duly authorized.

VF Corporation Tax-Advantaged Savings Plan
for Salaried Employees

By: /s/ HAROLD E. ADDIS

Harold E. Addis, Chairman of the
VF Corporation Pension Plan Committee

Date: -----

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Report of Independent Auditors

VF Corporation Pension Plan Committee
VF Corporation Tax-Advantaged Savings Plan
for Salaried Employees

We have audited the accompanying statements of net assets available for benefits of the VF Corporation Tax-Advantaged Savings Plan for Salaried Employees as of December 31, 1994 and 1993, and the related statements of changes in net assets available for benefits for each of the three years in the period ended December 31, 1994. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the VF Corporation Tax-Advantaged Savings Plan for Salaried Employees at December 31, 1994 and 1993, and the changes in its net assets available for benefits for each of the three years in the period ended December 31, 1994, in conformity with generally accepted accounting principles.

/s/ ERNST & YOUNG LLP

Reading, Pennsylvania
March 10, 1995

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COMBINED PLAN

<TABLE>
<CAPTION>

	December 31	

ASSETS	1994	
1993	----	
<S>	<C>	<C>
Investments at fair value		
VF Corporation Common Stock -		
396,815 shares in 1994		
395,009 shares in 1993	\$ 19,295,129	\$
18,219,790		
VF Corporation ESOP		
Preferred Stock -		
2,014,427 shares in 1994		
2,050,491 shares in 1993	78,361,197	
75,663,118		
United States government obligations	15,767,773	
13,673,576		
Other securities	48,287,278	
40,149,325		
	-----	-----
Total investments	161,711,377	
147,705,809		
Dividends and interest receivable	275,090	
246,092		
Loans receivable from participants	7,283,233	
5,718,544		
	-----	-----
TOTAL ASSETS	169,269,700	
153,670,445		
	-----	-----
LIABILITIES		
Withdrawals and terminations		
payable to participants	1,965,876	
861,855		
Employee Stock Ownership		
Plan obligation - payable to VF Corporation	51,667,392	
56,121,089		
Forfeitures related to withdrawals		
and terminations	22,176	
16,943		
	-----	-----
TOTAL LIABILITIES	53,655,444	
56,999,887		
	-----	-----
Net assets available for benefits	\$115,614,256	
\$96,670,558		
	=====	=====

</TABLE>

See notes to financial statements.

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VF CORPORATION TAX-ADVANTAGED SAVINGS PLAN FOR SALARIED EMPLOYEES
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

MONEY MARKET FUND AND FIXED INCOME FUND

<TABLE>
<CAPTION>

Money Market Fund
December 31

Fixed Income Fund
December 31

ASSETS	1994	1993	1994	
1993				-
<S>	<C>	<C>	<C>	<C>
Investments, at fair value				
United States government obligations	\$ 0	\$ 0	\$15,767,773	
\$13,673,576				
Other securities	5,717,176	5,406,831	1,236,587	
1,460,947				
Total investments	5,717,176	5,406,831	17,004,360	
15,134,523				
Dividends and interest receivable	27,978	15,686	242,709	
228,310				
Loans receivable from participants	1,224,845	1,040,317	1,406,351	
1,133,339				
TOTAL ASSETS	6,969,999	6,462,834	18,653,420	
16,496,172				
LIABILITIES				
Withdrawals and terminations payable to participants	90,309	100,468	526,219	
136,218				
Forfeitures related to withdrawals and terminations	0	163	0	
202				
TOTAL LIABILITIES	90,309	100,631	526,219	
136,420				
Net assets available for benefits	\$ 6,879,690	\$ 6,362,203	\$18,127,201	
\$16,359,752				

See notes to financial statements.

VF CORPORATION TAX-ADVANTAGED SAVINGS PLAN FOR SALARIED EMPLOYEES
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

EQUITY GROWTH & INCOME FUND AND EQUITY GROWTH FUND

	Equity Growth & Income Fund December 31		Equity Growth Fund December 31	
ASSETS	1994	1993	1994	
1993				
<S>	<C>	<C>	<C>	<C>
Investments, at fair value				
Other securities	\$ 25,348,419	\$ 22,366,528	\$ 15,730,539	\$
10,684,033				
Total investments	25,348,419	22,366,528	15,730,539	
10,684,033				
Dividends and interest receivable	125	82	148	
67				
Loans receivable from participants	1,986,103	1,550,713	543,483	
379,273				

TOTAL ASSETS	27,334,647	23,917,323	16,274,170	
11,063,373				
LIABILITIES				
Withdrawals and terminations payable to participants	387,091	225,221	294,676	
97,948				
Forfeitures related to withdrawals and terminations	0	821	0	
65				
TOTAL LIABILITIES	387,091	226,042	294,676	
98,013				
Net assets available for benefits	\$ 26,947,556	\$ 23,691,281	\$ 15,979,494	\$
10,965,360				

See notes to financial statements.

VF CORPORATION TAX-ADVANTAGED SAVINGS PLAN FOR SALARIED EMPLOYEES
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
VF CORPORATION COMMON STOCK FUND AND EMPLOYEE STOCK OWNERSHIP PLAN

Ownership Plan	VF Corporation Common Stock Fund		Employee Stock
	December 31		December
31			
ASSETS	1994	1993	1994
1993			
Investments, at fair value			
VF Corporation Common Stock			
396,815 shares in 1994			
395,009 shares in 1993	\$19,295,129	\$18,219,790	\$ 0
\$ 0			
VF Corporation ESOP Preferred Stock			
2,014,427 shares in 1994			
2,050,491 shares in 1993	0	0	78,361,197
75,663,118			
Other securities	177,387	189,091	77,170
41,895			
Total investments	19,472,516	18,408,881	78,438,367
75,705,013			
Dividends and interest receivable	637	300	3,493
1,647			
Loans receivable from participants	2,122,451	1,614,902	0
0			
TOTAL ASSETS	21,595,604	20,024,083	78,441,860
75,706,660			
LIABILITIES			

Withdrawals and terminations payable to participants	314,703	140,009	352,878
161,991			
Employee Stock Ownership Plan obligation - payable to VF Corporation	0	0	51,667,392
56,121,089			
Forfeitures related to withdrawals and terminations	0	600	22,176
15,092			
-----	-----	-----	-----
TOTAL LIABILITIES	314,703	140,609	52,042,446
56,298,172			
-----	-----	-----	-----
Net assets available for benefits	\$21,280,901	\$19,883,474	\$26,399,414
\$19,408,488			
=====	=====	=====	=====

</TABLE>

See notes to financial statements.

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VF CORPORATION TAX-ADVANTAGED SAVINGS PLAN FOR SALARIED EMPLOYEES
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

COMBINED PLAN

<TABLE>
<CAPTION>

	Year Ended December 31		
	1994	1993	1992
-----	-----	-----	-----
Investment income	<C>	<C>	<C>
Dividends on VF Corporation Common Stock	\$ 497,205	\$ 492,821	\$ 432,281
Dividends on ESOP Preferred Stock	4,228,632	4,290,967	4,335,278
Interest	979,143	1,052,117	975,168
Income from mutual funds and bank common trust funds	2,614,714	2,285,814	3,257,792
-----	-----	-----	-----
	8,319,694	8,121,719	9,000,519
-----	-----	-----	-----
Contributions			
Interest on loan repayment	402,626	288,773	204,448
Participants	15,290,975	10,822,389	9,485,940
VF Corporation	5,570,215	4,542,628	3,960,222
-----	-----	-----	-----
	21,263,816	15,653,790	13,650,610
-----	-----	-----	-----
Withdrawals	(8,128,767)	(4,975,559)	

(4,862,648)			
Forfeitures that reduce VF Corporation contributions (71,919)	(118,128)	(146,621)	
Interest paid to VF Corporation on Employee Stock Ownership Plan obligation (5,954,445)	(5,344,502)	(5,698,769)	
Net realized gain on investments 421,571	1,224,507	794,846	
Net unrealized appreciation (depreciation) in fair value of investments 26,406,953	1,727,078	(12,820,932)	

Net increase 38,590,641	18,943,698	928,474	
Net assets available for benefits at beginning of year 57,151,443	96,670,558	95,742,084	

Net assets available for benefits at end of year \$95,742,084	\$115,614,256	\$96,670,558	
=====			

</TABLE>

See notes to financial statements.

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VF CORPORATION TAX-ADVANTAGED SAVINGS PLAN FOR SALARIED EMPLOYEES
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

MONEY MARKET FUND

<TABLE>			
<CAPTION>			
		Year Ended December 31	

		1994	1993
1992		----	----

<S>	<C>	<C>	<C>
Investment income			
Income from mutual funds and bank common trust funds 196,134	\$ 204,216	\$ 185,319	\$

196,134	204,216	185,319	

Contributions			
Interest on loan repayments 26,475	34,933	29,013	
Participants	1,024,192	965,642	
1,160,453			

1,186,928	1,059,125	994,655	

Withdrawals	(434,310)	(427,805)	
(582,038)			
Forfeitures that reduce VF Corporation contributions (1,268)	(435)	(2,177)	
Fund transfers, net (1,063,530)	(311,109)	(1,106,278)	

-----	-----	-----	-----
Net increase (decrease) (263,774)	517,487	(356,286)	
Net assets available for benefits at beginning of year 6,982,263	6,362,203	6,718,489	
-----	-----	-----	-----
Net assets available for benefits at end of year 6,718,489	\$ 6,879,690	\$ 6,362,203	\$
=====	=====	=====	

</TABLE>

See notes to financial statements.

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VF CORPORATION TAX-ADVANTAGED SAVINGS PLAN FOR SALARIED EMPLOYEES
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FIXED INCOME FUND

<TABLE>
<CAPTION>

	Year Ended December 31	
	-----	-----
	1994	1993
	----	----
1992		

<S>	<C>	<C>
<C>		
Investment income		
Interest	\$ 979,143	\$ 1,052,117
\$ 975,168		
Income from mutual funds and bank common trust funds	38,440	10,278
18,207		

	1,017,583	1,062,395
993,375		

Contributions		
Interest on loan repayments	59,901	51,108
40,561		
Participants	2,598,897	2,339,497
2,240,187		

	2,658,798	2,390,605
2,280,748		

Withdrawals	(1,771,571)	(1,157,076)
(1,286,865)		
Forfeitures that reduce VF Corporation contributions	(890)	(1,946)
(3,233)		
Net realized gain (loss) on investments	22,892	(12,656)
(15,069)		
Net unrealized depreciation in fair value of investments	(146,268)	(12,832)
(30,255)		
Fund transfers (net)	(13,095)	(303,898)
209,157		

Net increase	1,767,449	1,964,592
2,147,858		

Net assets available for benefits at beginning of year	16,359,752	14,395,160
12,247,302		
-----	-----	-----
Net assets available for benefits at end of year	\$ 18,127,201	\$ 16,359,752
\$ 14,395,160		
=====	=====	=====

</TABLE>

See notes to financial statements.

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VF CORPORATION TAX-ADVANTAGED SAVINGS PLAN FOR SALARIED EMPLOYEES
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

EQUITY GROWTH & INCOME FUND

<TABLE>
<CAPTION>

	Year Ended December 31		
	1994	1993	
	----	----	
1992			

<S>	<C>	<C>	<C>
Investment income			
Income from mutual funds and bank common trust funds	\$ 1,833,144	\$ 1,197,977	\$
2,219,621			
-----	-----	-----	-----
2,219,621	1,833,144	1,197,977	
-----	-----	-----	-----
Contributions			
Interest on loan repayments	123,536	84,286	
55,468			
Participants	4,624,489	3,056,697	
2,486,856			
-----	-----	-----	-----
2,542,324	4,748,025	3,140,983	
-----	-----	-----	-----
Withdrawals	(2,031,249)	(1,170,331)	
(1,171,833)			
Forfeitures that reduce VF Corporation contributions	(1,164)	(3,966)	
(2,564)			
Net realized gain on investments	170,735	117,328	
29,069			
-----	-----	-----	-----
Net unrealized (depreciation) appreciation in fair Value of investments	(1,437,737)	2,097,687	
(565,714)			
Fund transfers, net	(25,479)	628,464	
442,288			
-----	-----	-----	-----
Net increase	3,256,275	6,008,142	
3,493,191			
Net assets available for benefits at beginning of year	23,691,281	17,683,139	
14,189,948			
-----	-----	-----	-----
Net assets available for benefits at end of year	\$ 26,947,556	\$ 23,691,281	\$
17,683,139			

VF CORPORATION TAX-ADVANTAGED SAVINGS PLAN FOR SALARIED EMPLOYEES
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

EQUITY GROWTH FUND

	Year Ended December 31		
	1994	1993	
1992			
	----	----	
<S>	<C>	<C>	<C>
Investment income			
Income from Mutual funds and bank common trust funds	\$ 515,020	\$ 877,085	\$
807,786			
	-----	-----	-----
	515,020	877,085	
807,786			
	-----	-----	-----
Contributions			
Interest on loan repayments	81,580	35,211	
21,514			
Participants	3,834,443	1,450,084	
1,067,754			
	-----	-----	-----
	3,916,023	1,485,295	
1,089,268			
	-----	-----	-----
Withdrawals	(1,129,617)	(409,898)	
(93,788)			
Forfeitures that reduce			
VF Corporation contributions	(118)	(1,512)	
(641)			
Net realized (loss) gain on investments	(10,760)	5,543	
(27,894)			
Net unrealized (depreciation) appreciation			
in fair value of investments	(715,960)	651,820	
(417,780)			
Fund transfers, net	2,439,546	2,471,670	
501,959			
	-----	-----	-----
Net increase	5,014,134	5,080,003	
1,858,910			
Net assets available for benefits at beginning of year	10,965,360	5,885,357	
4,026,447			
	-----	-----	-----
Net assets available for benefits at end of year	\$ 15,979,494	\$ 10,965,360	\$
5,885,357			
	=====	=====	=====

</TABLE>

See notes to financial statements.

VF CORPORATION TAX-ADVANTAGED SAVINGS PLAN FOR SALARIED EMPLOYEES
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

VF CORPORATION COMMON STOCK FUND

<TABLE>
<CAPTION>

	Year Ended December 31		
	1994	1993	
1992			
	----	----	
<S>	<C>	<C>	<C>
Investment income			
Dividends on VF Corporation Common Stock	\$ 497,205	\$ 492,821	\$
432,281			
Income from mutual funds and bank common trust funds	4,284	2,559	
2,725			
	-----	-----	-----
435,006	501,489	495,380	
	-----	-----	-----
Contributions			
Interest on loan repayments	102,676	89,155	
60,430			
Participants	3,208,954	3,010,469	
2,530,690			
	-----	-----	-----
2,591,120	3,311,630	3,099,624	
	-----	-----	-----
Withdrawals	(1,310,494)	(1,023,379)	
(1,152,194)			
Forfeitures that reduce			
VF Corporation contributions	(841)	(4,057)	
(3,145)			
Net realized gain on investments	770,499	506,187	
435,465			
Net unrealized appreciation (depreciation)			
in fair value of investments	215,007	(3,612,779)	
4,831,401			
Fund transfers, net	(2,089,863)	(1,689,958)	
(89,874)			
	-----	-----	-----
Net increase (decrease)	1,397,427	(2,228,982)	
7,047,779			
Net assets available for benefits at			
beginning of year	19,883,474	22,112,456	
15,064,677			
	-----	-----	-----
Net assets available for benefits at			
end of year	\$ 21,280,901	\$ 19,883,474	\$
22,112,456			
	=====	=====	=====

</TABLE>

See notes to financial statements.

EMPLOYEE STOCK OWNERSHIP PLAN

<TABLE>
<CAPTION>

	Year Ended December 31		
	1994	1993	
1992			
<S>	<C>	<C>	<C>
Investment income			
Dividends on ESOP Preferred Stock	\$ 4,228,632	\$ 4,290,967	\$
4,335,278			
Income from mutual funds and bank common trust funds	19,610	12,596	
13,319			
4,348,597	4,248,242	4,303,563	
Contributions			
VF Corporation	5,570,215	4,542,628	
3,960,222			
3,960,222	5,570,215	4,542,628	
Withdrawals	(1,451,526)	(787,070)	
(575,930)			
Forfeitures that reduce VF Corporation contributions	(114,680)	(132,963)	
(61,068)			
Interest paid to VF Corporation on Employee Stock Ownership Plan obligation	(5,344,502)	(5,698,769)	
(5,954,445)			
Net realized gain on investments	271,141	178,444	
0			
Net unrealized appreciation (depreciation) in fair value of investments	3,812,036	(11,944,828)	
22,589,301			
Net increase (decrease)	6,990,926	(9,538,995)	
24,306,677			
Net assets available for benefits at beginning of year	19,408,488	28,947,483	
4,640,806			
Net assets available for benefits at end of year	\$ 26,399,414	\$ 19,408,488	\$
28,947,483			

</TABLE>

See notes to financial statements.

NOTE A -- DESCRIPTION OF THE PLAN

VF Corporation (the Corporation) sponsors the VP Corporation Tax-Advantaged Savings Plan for Salaried Employees (the Plan), which is a cash or deferred plan under Section 401(k) of the Internal Revenue Code. Under the Plan, certain

salaries employees of specified subsidiaries, having at least one year of credited service, may elect to contribute between 2% and 10% of their compensation to the Plan. The Corporation matches employee contributions by 50% for up to 6% of compensation contributed by the employee. Employees remain fully vested in their contributions to the Plan. The Corporation's matching contributions are vested monthly on a pro rata basis with full vesting after five years of service or upon normal or late retirement, disability or death.

The Plan includes an Employee Stock Ownership Plan (ESOP). In 1990, the ESOP purchased 2,105,263 shares of VF Corporation 6.75% Series B ESOP Convertible Preferred Stock (ESOP Preferred Stock) for \$65.0 million. Each share of ESOP Preferred Stock, which has a redemption value of \$30.88 plus cumulative accrued dividends, is convertible into an eight-tenths share of VF Corporation Common Stock and is entitled to one vote. The trustee for the ESOP may convert the ESOP Preferred Stock to Common Stock at any time or may cause the Corporation to redeem the ESOP Preferred Stock under certain circumstances. The ESOP Preferred Stock also has preference in liquidation over all other stock issues. The Corporation's matching contributions, all of which go to the ESOP, are allocated to employees in shares of ESOP Preferred Stock. Of the shares of ESOP Preferred Stock owned by the ESOP, 637,947 shares in 1994 and 503,616 shares in 1993 have been allocated to employees.

The ESOP's purchase of the ESOP Preferred Stock was funded by a loan of \$65.0 million from the Corporation that bears interest at 9.8%. The obligation will be repaid in increasing installments through 2003 from future Corporation matching contributions to the ESOP and dividends on the ESOP Preferred Stock.

Employee contributions are invested at the direction of the employee in one or more of the funds administered by the Plan's trustee. The investment programs of the Plan are as follows:

- (a) Money Market Fund: Monies are invested in a money market fund.
- (b) Fixed Income Fund: Monies are invested in investment vehicles that provide a fixed rate of return.
- (c) Equity Growth & Income-Fund: Monies are invested in investments with emphasis on capital appreciation.
- (d) Equity Growth Fund: Monies are primarily invested in common stock, securities convertible into common stock and debt securities.
- (e) VF Corporation Common Stock Fund: Monies are invested in Common Stock of the Corporation purchased on the open market at prevailing prices on the New York Stock Exchange on the date of purchase. Employees can direct no more than 50% of their contributions to the VF Corporation Common Stock Fund.

VF CORPORATION TAX-ADVANTAGED SAVINGS PLAN FOR SALARIED EMPLOYEES

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE A -- DESCRIPTION OF THE PLAN (Continued)

Individual accounts are maintained for each participant; each account includes the individual's contributions, Corporation matching contributions and investment funds' earnings. Accounts may become payable upon retirement, disability, death or termination of employment. Participants may also withdraw all or a portion of their accounts by filing a written request that demonstrates financial hardship. Participants may elect to receive distributions in a lump sum or in an annuity, or accounts may be rolled over into another IRS-approved tax deferral vehicle. Forfeitures are used to reduce VP Corporation's obligation to pay plan expenses.

Participants may borrow from their individual account. They are charged interest at the Morgan Guaranty "Published" prime rate at the time of the loan and repay the principal within 60 months, or 120 months if the loan is for the purchase of their primary residence. Participants may borrow up to 100% of the Money Market Fund and 75% of remaining funds, not to exceed 50% of the participant's vested account balance, but may not borrow from the Corporation matching portion. Payment in full is required at termination of employment. There were 2,383 loans outstanding at December 31, 1994.

Although it has no intent to do so, the Corporation may terminate the Plan in whole or in part at any time. In the event of termination, participants become fully vested in their accounts.

The number of participants in each fund was as follows:

<TABLE>
<CAPTION>

Year Ended December 31

	1994	1993	1992
	----	----	----
<S>	<C>	<C>	<C>
Money Market Fund	2,818	2,549	2,657
Fixed Income Fund	4,382	3,818	3,734
Equity Growth & Income Fund	5,603	4,665	4,125
Equity Growth Fund	3,999	2,776	3,914
VF Corporation Common Stock Fund	4,839	4,327	1,666
Employee Stock Ownership Plan	7,317	6,214	5,552

The total number of participants in the Plan was less than the sum of participants shown above because many were participating in more than one fund.

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VF CORPORATION TAX-ADVANTAGED SAVINGS PLAN FOR SALARIED EMPLOYEES

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE B -- SIGNIFICANT ACCOUNTING POLICIES

Investments are stated at fair value. Securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the plan year. The ESOP Preferred Stock is stated at fair value, based on the greater of 80% of the fair value of the Corporation's common stock or the preferred stock's stated redemption price. For commercial notes and United States government obligations, the Plan trustee has established a fair value based on yields currently available on comparable instruments. The fair value of the participation units owned by the Plan in mutual funds and bank common trust funds is based on quoted redemption values on the last business day of the plan year. Unallocated insurance contracts are valued at contract values as estimated by the insurer. Contract value represents contributions made under the contract, plus interest at the contract rate, less funds used to pay the insurance company's administrative expenses.

The changes in the difference between fair value and cost of investments are reflected as unrealized appreciation or depreciation in fair value of investments in the statements of changes in net assets available for benefits.

In determining the realized gain or loss on investments sold, the cost of investments has been determined on the average cost basis for marketable securities and on the identified cost basis for mutual funds and bank common trust funds, commercial notes and unallocated insurance contracts.

Administrative expenses consisting primarily of fees for legal, accounting and other services are paid directly by the Corporation in accordance with the Plan Agreement and are based on customary and reasonable rates for such services.

NOTE C -- INCOME TAX STATUS

The Internal Revenue Service has issued a Favorable Determination Letter dated May 12, 1987, stating that the Plan qualifies under the appropriate sections of the Internal Revenue Code (IRC) and is, therefore, not subject to tax under present income tax law. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The Pension Plan Committee is not aware of any action or series of events that have occurred that might adversely effect the Plan's Qualified Status.

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VF CORPORATION TAX-ADVANTAGED SAVINGS PLAN FOR SALARIED EMPLOYEES
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE D INVESTMENTS

The net unrealized appreciation (depreciation) in fair value of investments included in Plan equity is as follows:

<TABLE>
<CAPTION>

	Net Unrealized Appreciation (Depreciation) in Fair Value for the Year Ended December 31			Fair value at December 31	
	1994	1993	1992	1994	1993
1992					
<S>	<C>	<C>	<C>	<C>	<C>
<C>					
Fair value as determined by quoted market or stated redemption price:					
VF Corporation Common Stock \$ 21,206,226	\$ 215,007	\$ (3,612,779)	\$ 4,831,401	\$ 19,295,129	\$ 18,219,790
ESOP Preferred Stock 88,284,786	3,812,036	(11,944,828)	22,589,301	78,361,197	75,663,118
Mutual Funds and bank common trust funds 28,631,723	(2,153,697)	2,749,507	(983,494)	46,457,343	38,268,505
	1,873,346	(12,808,100)	26,437,208	144,113,669	132,151,413
138,122,735					
Fair value as determined by Plan trustee:					
United States government obligations				15,767,773	13,673,576
11,024,047					
Commercial notes	(146,268)	(12,832)	(30,255)	249,552	1,041,341
2,044,427					
Mutual funds and bank common trust funds 807,326				1,580,383	621,992
Unallocated insurance contracts				0	217,487
206,132					
	(146,268)	(12,832)	(30,255)	17,597,708	15,554,396
14,081,932					
	\$ 1,727,078	\$ (12,820,932)	\$ 26,406,953	\$161,711,377	\$147,705,809
\$152,204,667					

</TABLE>

Unrealized appreciation in fair value of investments at December 31, 1994 and 1993 was \$21,770,129 and \$20,043,051, respectively.

<TABLE>
<CAPTION>

Year Ended December 31

	1994	1993	1992
<S>	<C>	<C>	<C>
Aggregate proceeds	\$49,419,023	\$47,003,365	\$42,047,185
Aggregate cost	48,194,516	46,208,519	41,625,614
Net realized gain	\$ 1,224,507	\$ 794,846	\$ 421,571

</TABLE>

Of the net realized gain, \$1,041,640, \$684,631, and \$435,465 related to gains recognized on the sale of VF Common Stock and the redemption of VF Preferred Stock for the years ended 1994, 1993, and 1992, respectively.

The fair value of individual investments that represent 5% or more of the Plan's net assets at December 31, 1994 and 1993 are as follows:

<TABLE>
<CAPTION>

	1994	1993
<S>	<C>	<C>
ESOP Preferred Stock	\$78,361,197	\$75,663,118
Fidelity Growth & Income Fund	25,189,257	22,264,551
VF Corporation Common Stock	19,295,129	18,219,790
Fidelity Magellan Fund	15,590,208	10,617,124
Kemper Money Market Fund		5,386,830

</TABLE>

VF CORPORATION TAX-ADVANTAGED SAVINGS PLAN FOR SALARIED EMPLOYEES

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE D -- INVESTMENTS (Continued)

Investment held at December 31, 1994:

<TABLE>
<CAPTION>

NAME OF ISSUER AND TITLE OF ISSUE COST	NUMBER OF SHARES OR PRINCIPAL AMOUNT	FAIR VALUE	
<S>	<C>	<C>	<C>
Securities of participating employer:			
VF Corporation Common Stock 13,824,745	396,815	\$ 19,295,129	\$
VF Corporation 6.75% Series B ESOP Convertible Preferred Stock 62,195,433	2,014,427	78,361,197	
		97,656,326	
76,020,178			
United States Government Obligations:			
Small Business Administration Loans: 14,492,120 (Rates of 5.37% to 10.625%), maturities of 9/15/96 to 2/22/09)	\$ 14,518,471	14,396,787	
N.O.A.A. loan (rate of 7.975%, matures 1/2/97) 149,583	\$ 149,710	149,583	
F.M.H.A. loans Rates of 6.475% to 9.875%, maturities of 2/01/96 to 11/15/08)	\$ 1,212,620	1,221,403	
1,221,403			

-----			15,767,773	
15,863,106			-----	-----

Other Securities;				
Mutual funds and bank common trust funds:				
Kemper Money Market Fund	5,677,878		5,677,878	
5,677,878				
Fidelity Growth & Income Fund	1,194,370		25,189,257	
24,491,123				
Fidelity Magellan Fund	233,386		15,590,208	
16,059,937				
UMB Bank Funds:				
Money Market Account	1,064,205		1,064,205	
1,064,205				
UMB Prime - I	516,178		516,178	
516,178				
Deere and Company (Due 1/10/95)	\$ 250,000		249,552	
248,643			-----	-----

48,057,964			48,287,278	
-----			-----	-----

\$139,941,248			\$161,711,377	
=====			=====	

</TABLE>