

SECURITIES AND EXCHANGE COMMISSION
 WASHINGTON, D.C. 20549

 FORM S-8
 REGISTRATION STATEMENT
 UNDER
 THE SECURITIES ACT OF 1933

ESCO ELECTRONICS CORPORATION

 (Exact Name of registrant as specified in its charter)

MISSOURI

43-1554045

 (State of incorporation)

 (I.R.S. Employer
 Identification No.)

8888 Ladue Road, Suite 200
 St. Louis, MO 63124

 (Address of registrant's principal executive offices)

ESCO ELECTRONICS CORPORATION 1999 STOCK OPTION PLAN
 (Full title of the Plan)

Alyson S. Barclay, Esq.
 Vice President, Secretary and General Counsel
 ESCO Electronics Corporation
 8888 Ladue Road, Suite 200
 St. Louis, MO 63124
 (314) 213-7200

 (Name, address, and telephone number,
 including area code, of agent for service)

CALCULATION OF REGISTRATION FEE

Title of Securities to be registered	Amount to be registered	Proposed maximum offering price per share (1)	Proposed Maximum Aggregate offering price (1)	Amount of registration fee (1)
Common Stock and Preferred Stock	434,015	\$ 10.7813	\$ 4,679,246	\$ 1,235
Purchase Rights (2)	175,985	10.90625	1,919,336	507
	-----			-----
Total Shares	610,000 (3)			Total Fee \$1,742

- (1) Computed pursuant to Rule 457(h) and (c) solely for the purpose of determining the registration fee. Proposed maximum offering price represents the exercise price per share of stock options already granted and the average of the high and low market prices of Registrant's Common Stock, par value \$.01 per share ("Common Stock"), on December 13, 1999, as reported on the New York Stock Exchange, with respect to securities for which options have not been granted.
- (2) Preferred Stock Purchase Rights are attached to and trade with the Common Stock. Value attributable to such Preferred Stock Purchase Rights, if any, is reflected in the market price of the Common Stock.
- (3) This Registration Statement also covers such additional shares of Common Stock as may be issuable pursuant to antidilution provisions.

PART I
INFORMATION REQUIRED IN THE
SECTION 10(a) PROSPECTUS

Item 1. Plan Information.

Information required by Part I of Form S-8 to be contained in the Section 10(a) prospectus is omitted from this registration statement in accordance with Rule 428 under the Securities Act of 1933, as amended ("Securities Act"), and the Note to Part I of Form S-8.

Item 2. Registrant Information and Employee Plan Annual Information.

Information required by Part I of Form S-8 to be contained in the Section 10(a) prospectus is omitted from this registration statement in accordance with Rule 428 under the Securities Act and the Note to Part I of Form S-8.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The following documents filed by ESCO Electronics Corporation (the "Company") with the Securities and Exchange Commission (File No. 1-10596) are incorporated by reference into this Registration Statement:

(1) The Company's Annual Report on Form 10-K for the fiscal year ended September 30, 1998, as amended on Form 10-K/A, filed pursuant to Section 13(a) of the Securities Exchange Act of 1934 (the "1934 Act").

(2) The Company's Quarterly Report on Form 10-Q for the fiscal quarters ended December 31, 1998, March 31, 1999 and June 30, 1999, filed pursuant to Section 13(a) of the 1934 Act.

(3) The Company's Current Report on Form 8-K dated October 13, 1999, filed pursuant to Section 13 of the 1934 Act.

(4) The description of the Company's Common Stock contained in the Company's Registration Statement on Form 10 filed under the 1934 Act, as amended under cover of Form 8 filed on September 27, 1990.

(5) The description of the Company's Preferred Stock Purchase Rights contained in the Company's Registration Statement on Form 10 filed under the 1934 Act, as amended under cover of Form 8 filed on September 27, 1990.

All documents subsequently filed by the Company pursuant to Section 13(a), 13(c), 14 or 15(d) of the 1934 Act, prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference in this Registration Statement and to be a part hereof from the date of filing thereof. Any statement

contained in a document incorporated or deemed to be incorporated herein by reference shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement.

Item 4. Description of Securities.

Not Applicable

Item 5. Interests of Named Experts and Counsel.

None.

Item 6. Indemnification of Directors and Officers.

The Company is a Missouri corporation. Section 351.355(1) of the Revised Statutes of Missouri provides that a corporation may indemnify an officer, director, employee or agent of the corporation in any action, suit or proceeding (other than an action by or in the right of the corporation) against expenses (including attorneys' fees), judgments, fines and settlement amounts actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action, had no reasonable cause to believe his conduct was unlawful. Section 351.355(2) provides that the corporation may indemnify any such person in any action or suit by or in the right of the corporation against expenses (including attorneys' fees) and settlement amounts actually and reasonably incurred by him in connection with the defense or settlement of the action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, except that no such person may be indemnified in respect of any matter in which he has been adjudged liable for negligence or misconduct in the performance of his duty to the corporation, unless authorized by the court. Section 351.355(3) provides that the corporation shall indemnify any such person against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the action, suit or proceeding if he has been successful in defense of such action,

suit or proceeding and if such action, suit or proceeding is one for which the corporation may indemnify him under Section 351.355(1) or (2). Section 351.355(7) provides that the corporation shall have the power to give any further indemnity to any such person, in addition to the indemnity otherwise authorized under Section 351.355, provided such further indemnity is authorized, directed or provided for in (i) the articles of incorporation of the corporation, (ii) any duly adopted amendment thereof or (iii) any bylaw or agreement of the corporation which has been adopted by the shareholders of the corporation, provided that no such indemnity may indemnify any person from or on account of such person's conduct which was finally adjudged to have been knowingly fraudulent, deliberately dishonest or willful misconduct.

The Company's Articles of Incorporation (the "Articles") contain provisions indemnifying the Company's directors and officers (other than a director or officer suing on his own behalf or in the right of the Company) to the full extent permitted by law. The Articles provide that the Company will indemnify its directors and officers against all expenses (including attorneys' fees), judgments, fines and settlement amounts actually and reasonably incurred by them in any action, suit or proceeding, including any action by or on behalf of the Company, on account of their services as a director or officer of the Company, or their services as a director, officer, employee, member or agent of another corporation, partnership, joint venture, trust, trade or industry association or other enterprise when they are serving in such capacities at the request of the Company, excepting only cases where the conduct of such person is finally adjudged to be knowingly fraudulent, deliberately dishonest or willful misconduct. The Articles further provide that the Company shall pay or advance defense expenses to any director or officer of the Company upon receipt of an undertaking from such director or officer to repay those expenses if it is ultimately determined that he is not entitled to be indemnified. The Articles further provide that the Company may indemnify employees and agents of the Company to the same extent as provided in the previous sentence or to such lesser extent as the Company in its discretion may deem appropriate.

The Articles also authorize the Company to enter into indemnification agreements with any director, officer, employee

or agent of the Company providing for indemnification rights to the maximum extent permitted by law. The Company has entered into an indemnification agreement with each member of its board of directors. Each indemnification agreement was approved separately by all members of the Board of Directors (other than the director being indemnified under the agreement) at meetings of the Board of Directors. In each agreement, the Company agreed to indemnify the director and hold him harmless to the full extent authorized or permitted by the General and Business Corporation Law of Missouri, or by any amendment thereof, or by any other statutory provision authorizing or permitting such indemnification which may be adopted, and specifically against any and all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the director in connection with certain threatened, pending or completed actions, suits or proceedings, to which the director is, was or becomes a party. Indemnification will not be provided under certain circumstances set forth in the indemnification agreements.

The directors and officers of the Company are covered by an insurance policy which indemnifies them against certain civil liabilities including, under certain circumstances, liabilities under the federal securities laws which might be incurred by them in such capacity.

Item 7. Exemption from Registration Claimed.

Not applicable.

Exhibit Number -----	Description -----	Filed Herewith or Incorporated by Reference -----
4a.	Restated Articles of Incorporation of ESCO Electronics Corporation	Incorporated by reference to Registration Statement on Form 10, as amended on Form 8, filed September 27, 1990, Exhibit 3.1
4b.	Bylaws of ESCO Electronics Corporation, as amended	Incorporated by reference to Form 10-K for fiscal year ended September 30, 1991, Exhibit 3(b)
4c.	Rights Agreement dated as of September 24, 1990 between ESCO Electronics Corporation and Boatmen's Trust Company, as Rights Agent	Incorporated by reference to Registration Statement on Form 10, as amended on Form 8, filed on September 27, 1990, Exhibit 4.2
4d.	1999 Stock Option Plan	
4e.	Form of Non-Qualified Stock Option Agreement	
4f.	Form of Non-Qualified Stock Option Agreement-Alternative	
4g.	Form of Incentive Stock Option Agreement	
4h.	Form of Incentive Stock Option Agreement-Alternative	
5.	Opinion of Counsel	
23a.	Consent of Counsel (included in Exhibit 5)	
23b.	Consent of KPMG LLP	

24. Power of Attorney (included on Page II-8)

Item 9. Undertakings.

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such

post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions or otherwise the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant 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 registrant 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 the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the County of St. Louis, State of Missouri, on November 11, 1999.

ESCO ELECTRONICS CORPORATION

By: /s/ C.J. Kretschmer

 C.J. Kretschmer, Vice
 President and Chief
 Financial Officer (Principal
 Accounting Officer)

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that each individual whose signature appears below constitutes and appoints C.J. Kretschmer, A.S. Barclay and T.B. Martin, and each of them, his true and lawful attorneys-in-fact and agents with full power of substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement and any other documents and instruments incidental thereto, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, thereby ratifying and confirming all that said attorneys-in-fact and agents and/or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

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Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature -----	Title -----	Date -----
(s)D.J. Moore ----- D. J. Moore	Chairman, President, Chief Executive Officer and Director	November 11, 1999
(s)C.J. Kretschmer ----- C.J. Kretschmer	Vice President and Chief Financial Officer (Principal Accounting Officer)	November 11, 1999
(s)W.S. Antle III ----- W.S. Antle III	Director	November 11, 1999
(s)J.J. Carey ----- J.J. Carey	Director	November 11, 1999
(s)J.M. McConnell ----- J.M. McConnell	Director	November 11, 1999
(s)L.W. Solley ----- L.W. Solley	Director	November 11, 1999
(s)J.M. Stolze ----- J.M. Stolze	Director	November 11, 1999
(s)D.C. Trauscht ----- D.C. Trauscht	Director	November 11, 1999

INDEX TO EXHIBITS

Exhibits are listed by number corresponding to the Exhibit Table of Item 601 in Regulation S-K.

EXHIBIT NO.	EXHIBIT
-----	-----
4d.	1999 Stock Option Plan
4e.	Form of Non-Qualified Stock Option Agreement
4f.	Form of Non-Qualified Stock Option Agreement-Alternative
4g.	Form of Incentive Stock Option Agreement
4h.	Form of Incentive Stock Option Agreement-Alternative
5.	Opinion of Counsel
23a.	Consent of Counsel (included in Exhibit 5)
23b.	Consent of KPMG LLP
24.	Power of Attorney (included on Page II-8)

See Item 8 for a list of exhibits incorporated by reference.

ESCO ELECTRONICS CORPORATION
1999 STOCK OPTION PLAN

1. PURPOSE OF THE PLAN.

The ESCO Electronics Corporation 1999 Stock Option Plan (the "Plan") is intended as an incentive to, and to encourage ownership of the stock of ESCO Electronics Corporation ("Company") by, certain key officers, managers and professional employees of the Company and its subsidiaries. It is intended that certain options granted hereunder will qualify as incentive stock options ("Incentive Stock Options") within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code") and that other options granted hereunder will not qualify as Incentive Stock Options.

2. STOCK SUBJECT TO THE PLAN.

Six hundred ten thousand (610,000) shares of the authorized but unissued Common Stock, par value of \$0.01 per share, of the Company have been allocated to the Plan and will be reserved for issue upon the exercise of options granted under the Plan. The Company may, in its discretion, use shares held in the treasury in lieu of authorized but unissued shares. If any such option shall expire or terminate for any reason without having been exercised in full, the unpurchased shares subject thereto shall again be available for the purposes of the Plan. Any shares of Common Stock which are used by an optionee as full or partial payment to the Company of the purchase price of shares of Common Stock upon exercise of a stock option shall again be available for the purposes of the Plan. Options may also be granted to purchase Common Stock Trust Receipts issued under the Deposit and Trust Agreement dated September 24, 1990 among the Company, Emerson Electric Co., Boatmen's Trust Company, as Trustee (of which The Chase Manhattan Bank is the current Trustee), and the holders of such Receipts from time to time, and whenever such Agreement is in effect, the term "Common Stock" hereunder shall include such Common Stock Trust Receipts wherever appropriate. The number of shares with respect to which options and stock appreciation rights ("SARs") may be granted to any individual during any calendar year may not exceed seventy thousand (70,000) shares.

3. ADMINISTRATION.

The Plan shall be administered by the Committee referred to in Paragraph 4 (the "Committee"). Subject to the express provisions of the Plan, the Committee shall have plenary authority, in its discretion, to determine the individuals to whom, and the time or times at which, options and SARs shall be granted and the number of shares to be subject to each option or SAR. In making such determinations the Committee may take into account the nature of the services rendered by the respective individuals, their present and potential contributions to the Company's success and such other factors as the Committee, in its discretion, shall deem relevant. Subject to the express provisions of the Plan, the Committee shall also have plenary authority to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it, to determine the terms and provisions of the respective stock option and SAR agreements (which need not be identical) and to make all other determinations necessary or advisable for the administration of the Plan. The Committee's determinations on the matters referred to in this Paragraph 3 shall be conclusive.

4. THE COMMITTEE.

The Committee shall be the Human Resources and Ethics Committee of the Board of Directors and shall at all times be constituted to comply with Rule 16b-3 under the Securities Exchange Act of 1934, or any successor to such Rule. In addition, such Committee shall consist solely of two or more Outside Directors. For this purpose, an Outside Director shall mean a director of the Company who:

- (1) is not an employee of the Company or any subsidiary while he is a member of the Committee;
- (2) is not a former employee of the Company or a subsidiary who receives compensation for prior services (other than benefits under a tax-qualified retirement plan) during the taxable year;

(3) has not been an Officer of the Company or a subsidiary; and

(4) shall not receive Remuneration from the Company or a subsidiary either directly or indirectly in any capacity other than as a director.

"Remuneration" and "Officer" as used herein shall be determined in accordance with Treas. Reg.1.162-27(e)(3) or any successor thereto.

The Committee shall be appointed by the Board of Directors, which may from time to time appoint members of the Committee in substitution for members previously appointed and may fill vacancies, however caused, in the Committee. The Board of Directors shall select one of the Committee members as its Chairman, and shall hold its meetings at such times and places as it may determine. A majority of its members shall constitute a quorum. All determinations of the Committee shall be made by a majority of its members present at any meeting at which there is a quorum. Any decision or determination reduced to writing and signed by all of the members shall be fully as effective as if it had been made by a majority vote at a meeting duly called and held. The Committee may appoint a secretary, shall keep minutes of its meetings and shall make such rules and regulations for the conduct of its business as it shall deem advisable.

5. ELIGIBILITY.

Options and SARs may be granted only to key officers, managers and professional employees of the Company or its subsidiaries. The term "key officers, managers and professional employees" is not limited to, but includes, officers, whether or not they are directors, but does not include directors who are not also executive employees of the Company, or a subsidiary thereof. The term "subsidiary" shall mean any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if, at the time of the granting of the option or SAR, each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain, or such other meaning as may be hereafter ascribed to it in Section 424 of the Code.

6. OPTION PRICES.

The purchase price of the Common Stock under each option shall not be less than 100% of the fair market value of the stock at the time of the granting of the option. Such fair market value shall generally be considered to be the mean between the high and low prices of the Company's Common Stock as traded on the New York Stock Exchange on the day the option is granted; provided, however, that the Committee may adopt any other criterion for the determination of such fair market value as it may determine to be appropriate. The purchase price is to be paid in full upon the exercise of the option, either (i) in cash, (ii) in the discretion of the Committee, by the tender to the Company of shares of the Common Stock of the Company, owned by the optionee and registered in his name, having a fair market value equal to the cash exercise price of the option being exercised, with the fair market value of such stock to be determined in such appropriate manner as may be provided for by the Committee or as may be required in order to comply with, or to conform to the requirements of, any applicable laws or regulations, or (iii) in the discretion of the Committee, by any combination of the payment methods specified in clauses (i) and (ii) hereof; provided that, no shares of Common Stock may be tendered in exercise of an Incentive Stock Option if such shares were acquired by the optionee through the exercise of an Incentive Stock Option unless (i) such shares have been held by the optionee for at least one year and (ii) at least two years have elapsed since such prior Incentive Stock Option was granted. In addition, the optionee may effect a "cashless exercise" of an option in lieu of paying the option price in cash or shares of Common Stock of the Company owned by the optionee, by surrendering the option for that number of shares of Common Stock determined by multiplying the number of option shares to which he would otherwise be entitled by a fraction, the numerator of which is the excess of the then current fair market value per share of the Common Stock over the exercise price, and the denominator of which is the then current fair market value per share of Common Stock. The proceeds of sale of stock subject to option are to be added to the general funds of the Company or to the shares of the Common Stock of the Company held in its Treasury, and used for its corporate purposes as the Board of Directors shall determine.

7. OPTION AMOUNTS.

The maximum aggregate fair market value (determined at the time an option is granted in the same manner as provided for in Paragraph 6 hereof) of the Common Stock of the Company with respect to which Incentive Stock Options are exercisable for the first time by any optionee during any calendar year (under all plans of the Company and its subsidiaries) shall not exceed \$100,000.

8. EXERCISE OF OPTIONS.

The term of each option shall be not more than ten (10) years from the date of granting thereof or such shorter period as is prescribed in Paragraph 9 following. Within such limit, options will be exercisable at such time or times, and subject to such restrictions and conditions, as the Committee shall, in each instance, approve, which need not be uniform for all optionees; provided, however, that except as provided in Paragraphs 9 and 10 following, no option may be exercised at any time unless the optionee is then an employee of the Company or a subsidiary and has been so employed continuously since the granting of the option. The holder of an option shall have none of the rights of a shareholder with respect to the shares subject to option until such shares shall be issued to him upon the exercise of his option. Upon exercise of an option the Committee shall withhold a sufficient number of shares to satisfy the Company's withholding obligations for any taxes incurred as a result of such exercise, and the Committee may, at the request of the optionee, withhold a sufficient number of shares to satisfy the optionee's tax liability incurred as a result of such exercise up to the maximum marginal federal, state and local tax rates; provided, that in lieu of all or part of such withholding, the optionee may pay an equivalent amount of cash to the Company.

9. TERMINATION OF EMPLOYMENT.

The holder of any option issued hereunder must exercise the option prior to his termination of employment, except that if the employment of an optionee terminates with the consent and approval of his employer, the Committee may, in its absolute discretion, permit the optionee to exercise his option, to the extent that he was entitled to exercise it at the date of such termination of employment, at any time within three (3) months after such termination, but not after ten (10) years from the date of the granting thereof. If the optionee terminates employment on account of disability he may exercise such option to the extent he was entitled to exercise it at the date of such termination at any time within one (1) year of the termination of his employment but not after ten (10) years from the date of the granting thereof. For this purpose a person shall be deemed to be disabled if he is permanently and totally disabled within the meaning of Section 422(c)(6) of the Code, which, as of the date hereof, shall mean that he is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. A person shall be considered disabled only if he furnishes such proof of disability as the Committee may require. Options granted under the Plan shall not be affected by any change of employment so long as the holder continues to be an employee of the Company or a subsidiary thereof. The option agreements may contain such provisions as the Committee shall approve with reference to the effect of approved leaves of absence. Nothing in the Plan or in any option granted pursuant to the Plan shall confer on any individual any right to continue in the employ of the Company or any subsidiary or interfere in any way with the right of the Company or any subsidiary thereof to terminate his employment at any time.

10. DEATH OF HOLDER OF OPTION.

In the event of the death of an individual to whom an option has been granted under the Plan, while he is employed by the Company (or a subsidiary) or within three (3) months after the termination of his employment (or one (1) year in the case of the termination of employment of an option holder who is disabled as above provided) the option theretofore granted to him may be exercised, to the extent that he was entitled to exercise it at the date of such death, by a legatee or legatees of the option holder under his last will, or by his personal representatives or distributees, at any time within a period of one (1) year after his death, but not after ten (10) years from the date of granting thereof, and only if and to the extent that he was entitled to exercise the option at the date of his death.

11. NON-TRANSFERABILITY OF OPTIONS.

Each Incentive Stock Option granted under the Plan shall, by its terms, be non-transferable otherwise than by will or the laws of descent and distribution and an option may be exercised, during the lifetime of the holder thereof, only by him.

12. SUCCESSIVE OPTION GRANTS.

Successive option grants may be made to any holder of options under the Plan.

13. INVESTMENT PURPOSE.

Each option under the Plan shall be granted only on the condition that all purchases of stock thereunder shall be for investment purposes, and not with a view to resale or distribution, except that the Committee may make such provision with respect to options granted under this Plan as it deems necessary or advisable for the release of such condition upon the registration with the Securities and Exchange Commission of stock subject to the option, or upon the happening of any other contingency warranting the release of such condition.

14. ALTERNATIVE STOCK APPRECIATION RIGHTS.

(a) Grant. At the time of grant of an option, the Committee, in its discretion, may grant to the optionee under the Plan an alternative SAR for all or any part of the number of shares covered by his option. The SAR agreement shall specify the options in respect of which the alternative SAR is granted. Any subsequent exercise of an option by the holder thereof who also holds an alternative SAR shall reduce his alternative SAR by the same number of shares as to which his option is exercised. Any exercise of his alternative SAR shall reduce his option by the same number of shares as to which his SAR is exercised. An alternative SAR granted to an option holder shall specify a time period for exercise of such SAR, which time period may not extend beyond, but may be less than, the time period during which the corresponding option may be exercised. The failure of the holder of the alternative SAR to exercise such SAR within the time period specified shall not reduce his option rights. If an alternative SAR is granted for a number of shares less than the total number of shares covered by the corresponding option the Committee may later grant to the option holder an additional alternative SAR covering additional shares, provided, however, that the aggregate amount of all alternative SARs held by an option holder shall at no time exceed the total number of shares covered by his unexercised options.

(b) Exercise. The holder of any option which by its terms is exercisable who also holds an alternative SAR may, in lieu of exercising his option, elect to exercise his alternative SAR; subject, however, to the limitations on time of exercise hereinafter set forth. Such SAR shall be exercised by the delivery to the Company of a written notice which shall state that the optionee elects to exercise his SAR as to the number of shares specified in the notice and which shall further state what portion, if any, of the SAR exercise amount (hereinafter defined) the holder thereof requests be paid to him in cash and what portion, if any, he request be paid to him in Common Stock of the Company. The Committee promptly shall cause to be paid to such holder the SAR exercise amount either in cash, in Common Stock of the Company, or any combination of cash and stock as it may determine. Such determination may be either in accordance with the request made by the holder of the SAR or otherwise, in the sole discretion of the Committee. The SAR exercise amount is the excess of the fair market value of one share of the Company's Common Stock on the date of exercise over the per option price for the option in respect of which the alternative SAR was granted multiplied by the number of shares as to which the SAR is exercised. For the purposes hereof fair market value of one share of the Company's Common Stock on the date of exercise shall be the mean between the high and low prices of the Company's Common Stock on the New York Stock Exchange on such date; provided, that the Committee may adopt any other criterion for the determination of such fair market value as it may determine to be appropriate.

(c) Other Provisions of Plan Applicable. All provisions of this Plan applicable to options granted hereunder shall apply with equal effect to alternative SARs. Not in limitation of the prior sentence it is expressly provided that no SAR shall be transferable otherwise than by will or the laws of descent and distribution and an SAR may be exercised, during the lifetime of the holder thereof, only by such holder.

15. ADJUSTMENTS UPON CHANGES IN CAPITALIZATION OR CORPORATE ACQUISITIONS.

Notwithstanding any other provisions of the Plan, the option and SAR agreements may contain such provisions as the Committee shall determine to be appropriate for the adjustment of the number and class of shares subject to each outstanding option or SAR and the option prices and SAR exercise amounts in the event of changes in the outstanding Common Stock by reason of stock dividends, recapitalization, mergers, consolidations, split-ups, combinations or exchanges of shares and the like, and, in the event of any such change in the outstanding Common Stock, the aggregate number and class of shares available under the Plan and the maximum number of shares as to which options and SARs may be granted to any individual shall be appropriately adjusted by the Committee, whose determination shall be conclusive. In the event the Company or a subsidiary enters into a transaction described in Section 424(a) of the Code with any other corporation, the Committee may grant options or SARs to employees or former employees of such corporation in substitution of options or SARs previously granted to them upon such terms and conditions as shall be necessary to qualify such grant as a substitution described in Section 424(a) of the Code.

16. AMENDMENT AND TERMINATION.

Either the Board of Directors or the Committee may at any time terminate the Plan, or make such modifications of the Plan as it shall deem advisable; provided, however, that neither the Board of Directors nor the Committee may, without further approval by the holders of Common Stock, increase the maximum numbers of shares as to which options or SARs may be granted under the Plan (except under the anti-dilution provisions hereof), or change the class of employees to whom options or SARs may be granted, or withdraw the authority to administer the Plan from a committee whose members satisfy the requirements of Paragraph 4. No termination or amendment of the Plan may, without the consent of the optionee to whom any option or SAR shall theretofore have been granted, adversely affect the rights of such optionee under such option or SAR.

17. EFFECTIVENESS OF THE PLAN.

The Plan shall become effective upon adoption by the Board of Directors or the Committee subject, however, to its further approval by the shareholders of the Company given within twelve (12) months of the date the Plan is adopted by the Board of Directors or the Committee at a regular meeting of the shareholders or at a special meeting duly called and held for such purpose. Grants of options or SARs may be made prior to such shareholder approval but all option and SAR grants made prior to shareholder approval shall be subject to the obtaining of such approval and if such approval is not obtained, such options and SARs shall not be effective for any purpose.

18. TIME OF GRANTING OF OPTIONS OR SARs.

An option or SAR grant under the Plan shall be deemed to be made on the date on which the Committee, by formal action of its members duly recorded in the records thereof, makes an award of an option or SAR to an eligible employee of the Company or its subsidiaries (but in no event prior to the adoption of the Plan by the Board of Directors), provided that such option or SAR is evidenced by a written option or SAR agreement duly executed on behalf of the Company and on behalf of the optionee within a reasonable time after the date of the Committee action.

19. TERM OF PLAN.

This Plan shall terminate ten (10) years after the date on which it is approved and adopted by the Board of Directors or the Committee, and no option or SAR shall be granted hereunder after the expiration of such ten-year period. Options or SARs outstanding at the termination of the Plan shall continue in accordance with their terms and shall not be affected by such termination.

The foregoing Plan was approved and adopted by the Human Resources and Ethics Committee of the Board of Directors of the Company on August 6, 1998.

NONQUALIFIED STOCK OPTION AGREEMENT
UNDER
ESCO ELECTRONICS CORPORATION
1999 STOCK OPTION PLAN

THIS AGREEMENT, made this day of , 19 , by
and between ESCO ELECTRONICS CORPORATION, a Missouri corporation (hereinafter
called the "Company"), and (hereinafter called "Optionee"),

WITNESSETH THAT:

WHEREAS, the Board of Directors of the Company ("Board of
Directors") has adopted the ESCO Electronics Corporation 1999 Stock Option Plan
(the "Plan") pursuant to which options covering an aggregate of 610,000 shares
of the Common Stock of the Company may be granted to officers and other key
management employees of the Company and its subsidiaries; and

WHEREAS, Optionee is now an officer or other key management
employee of the Company or a subsidiary of the Company; and

WHEREAS, the Company desires to grant to Optionee the option
to purchase certain shares of its stock under the terms of the Plan;

NOW, THEREFORE, in consideration of the premises, and of the
mutual agreements hereinafter set forth, it is covenanted and agreed as follows:

1. Grant Subject to Plan. This option is granted under and is
expressly subject to, all the terms and provisions of the Plan, which terms are
incorporated herein by reference.

The Committee referred to in Paragraph 4 of the Plan ("Committee") has been appointed by the Board of Directors, and designated by it, as the Committee to make grants of options.

2. Grant and Terms of Option. Pursuant to action of the Committee, which action was taken on February 9, 1999 ("Date of Grant"), the Company grants to Optionee the option to purchase all or any part of () shares of the Common Stock of the Company, of the par value of \$0.01 per share ("Common Stock"), for a period of ten (10) years from the Date of Grant, at the purchase price of \$ per share; provided, however, that the right to exercise such option shall be, and is hereby, restricted so that no shares may be purchased prior to October 1, 2000; that at any time during the term of this option on or after October 1, 2000, Optionee may purchase up to 33-1/3% of the total number of shares to which this option relates; that at any time during the term of this option on or after October 1, 2001, Optionee may purchase up to an additional 33-1/3% of the total number of shares to which this option relates; and that at any time on or after October 1, 2002, Optionee may purchase up to an additional 33-1/3% of the total number of shares to which this option relates; so that on October 1, 2002 during the term hereof, Optionee will have become entitled to purchase the entire number of shares to which this option relates. In no event may this option or any part thereof be exercised after the expiration of ten (10) years from the Date of Grant. The purchase price of the shares subject to the option

may be paid for (i) in cash, (ii) in the discretion of the Committee, by tender of shares of Common Stock already owned by Optionee, or (iii) in the discretion of the Committee, by a combination of methods of payment specified in clauses (i) and (ii), all in accordance with Paragraph 8 of the Plan.

3. Anti-Dilution Provisions. In the event that, during the term of this Agreement, there is any change in the number of shares of outstanding Common Stock of the Company by reason of stock dividends, recapitalizations, mergers, consolidations, split-ups, combinations or exchanges of shares and the like, the number of shares covered by this option agreement and the price thereof shall be adjusted, to the same proportionate number of shares and price as in this original agreement.

4. Investment Purpose. Optionee represents that, in the event of the exercise by him of the option hereby granted, or any part thereof, he intends to purchase the shares acquired on such exercise for investment and not with a view to resale or other distribution; except that the Company, at its election, may waive or release this condition in the event the shares acquired on exercise of the option are registered under the Securities Act of 1933, or upon the happening of any other contingency which the Company shall determine warrants the waiver or release of this condition. Optionee agrees that the certificates evidencing the shares acquired by him on exercise of all or any part of this option, may bear a restrictive legend, if appropriate, indicating

that the shares have not been registered under said Act and are subject to restrictions on the transfer thereof, which legend may be in the following form (or such other form as the Company shall determine to be proper), to-wit:

"The shares represented by this certificate have not been registered under the Securities Act of 1933, but have been issued or transferred to the registered owner pursuant to the exemption afforded by Section 4(2) of said Act. No transfer or assignment of these shares by the registered owner shall be valid or effective, and the issuer of these shares shall not be required to give any effect to any transfer or attempted transfer of these shares, including without limitation, a transfer by operation of law, unless (a) the issuer shall have received an opinion of its counsel that the shares may be transferred without requirement of registration under said Act, or (b) there shall have been delivered to the issuer a 'no-action' letter from the staff of the Securities and Exchange Commission, or (c) the shares are registered under said Act."

5. Non-Transferability. Neither the option hereby granted nor any rights thereunder or under this Agreement may be assigned, transferred or in any manner encumbered except by will or the laws of descent and distribution, and any attempted assignment, transfer, mortgage, pledge or encumbrance except as herein authorized, shall be void and of no effect. The option may be exercised during Optionee's lifetime only by him.

6. Termination of Employment. In the event of the termination of employment of Optionee other than by death, the option granted may be exercised at the times and to the extent provided in paragraph 9 of the Plan.

7. Death of Optionee. In the event of the death of Optionee during the term of this Agreement and while he is

employed by the Company (or a subsidiary), or within three (3) months after the termination of his employment (or one (1) year in the case of the termination of employment of an Optionee who is disabled as provided in the Plan), this option may be exercised, to the extent that he was entitled to exercise it at the date of his death, by a legatee or legatees of Optionee under his last will, or by his personal representatives or distributees, at any time within a period of one (1) year after his death, but not after ten (10) years from the date hereof, and only if and to the extent that he was entitled to exercise the option at the date of his death.

8. Shares Issued on Exercise of Option. It is the intention of the Company that on any exercise of this option it will transfer to Optionee shares of its authorized but unissued stock or transfer Treasury shares, or utilize any combination of Treasury shares and authorized but unissued shares, to satisfy its obligations to deliver shares on any exercise hereof. Notwithstanding the foregoing, so long as the Deposit and Trust Agreement referred to in Paragraph 2 of the Plan remains in effect, Optionee will be issued Common Stock Trust Receipts upon exercise of this option in lieu of shares of Common Stock in accordance with the terms of said Agreement.

9. Committee Administration. This option has been granted pursuant to a determination made by the Committee, and such Committee or any successor or substitute committee authorized by the Board of Directors or the Board of Directors

itself, subject to the express terms of this option, shall have plenary authority to interpret any provision of this option and to make any determinations necessary or advisable for the administration of this option and the exercise of the rights herein granted, and may waive or amend any provisions hereof in any manner not adversely affecting the rights granted to Optionee by the express terms hereof.

10. Option Not an Incentive Stock Option. This option shall not be treated as an incentive stock option under Section 422 of the Internal Revenue Code of 1986, as amended.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its Vice President and to be attested by its Secretary under the seal of the Company, pursuant to due authorization, and Optionee has signed this Agreement to evidence his acceptance of the option herein granted and of the terms hereof, all as of the date hereof.

ESCO ELECTRONICS CORPORATION

By _____
Vice President

ATTEST:

Secretary

Optionee

NONQUALIFIED STOCK OPTION AGREEMENT
UNDER
ESCO ELECTRONICS CORPORATION
1999 STOCK OPTION PLAN

THIS AGREEMENT, made this day of , 19 , by
and between ESCO ELECTRONICS CORPORATION, a Missouri corporation (hereinafter
called the "Company"), and (hereinafter called
"Optionee"),

WITNESSETH THAT:

WHEREAS, the Board of Directors of the Company
("Board of Directors") has adopted the ESCO Electronics Corporation 1999 Stock
Option Plan (the "Plan") pursuant to which options covering an aggregate of
610,000 shares of the Common Stock of the Company may be granted to officers and
other key management employees of the Company and its subsidiaries; and

WHEREAS, Optionee is now an officer or other key management
employee of the Company or a subsidiary of the Company; and

WHEREAS, the Company desires to grant to Optionee the option
to purchase certain shares of its stock under the terms of the Plan;

NOW, THEREFORE, in consideration of the premises, and of the
mutual agreements hereinafter set forth, it is covenanted and agreed as follows:

1. Grant Subject to Plan. This option is granted under and is
expressly subject to, all the terms and provisions of the Plan, which terms are
incorporated herein by reference.

The Committee referred to in Paragraph 4 of the Plan ("Committee") has been appointed by the Board of Directors, and designated by it, as the Committee to make grants of options.

2. Grant and Terms of Option. Pursuant to action of the Committee, which action was taken on February 9, 1999 ("Date of Grant"), the Company grants to Optionee the option to purchase all or any part of () shares of the Common Stock of the Company, of the par value of \$0.01 per share ("Common Stock"), for a period of ten (10) years from the Date of Grant, at the purchase price of \$ per share; provided, however, that the right to exercise such option shall be, and is hereby, restricted so that no shares may be purchased prior to October 1, 2000; that at any time during the term of this option on or after October 1, 2000, Optionee may purchase up to 33-1/3% of the total number of shares to which this option relates; that at any time during the term of this option on or after October 1, 2001, Optionee may purchase up to an additional 33-1/3% of the total number of shares to which this option relates; and that at any time on or after October 1, 2002, Optionee may purchase up to an additional 33-1/3% of the total number of shares to which this option relates; so that on October 1, 2002 during the term hereof, Optionee will have become entitled to purchase the entire number of shares to which this option relates. Notwithstanding the foregoing, in the event of a Change of Control (as hereinafter defined) Optionee may purchase 100% of the total number of shares to which this option relates.

In no event may this option or any part thereof be exercised after the expiration of ten (10) years from the Date of Grant. The purchase price of the shares subject to the option may be paid for (i) in cash, (ii) in the discretion of the Committee, by tender of shares of Common Stock already owned by Optionee, or (iii) in the discretion of the Committee, by a combination of methods of payment specified in clauses (i) and (ii), all in accordance with Paragraph 8 of the Plan. For the purposes of this Agreement, a Change of Control means:

a. The purchase or other acquisition (other than from the Company) by any person, entity or group of persons, within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (excluding, for this purpose, the Company or its subsidiaries or any employee benefit plan of the Company or its subsidiaries), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either the then-outstanding shares of common stock of the Company or the combined voting power of the Company's then-outstanding voting securities entitled to vote generally in the election of directors; or

b. Individuals who, as of the date hereof, constitute the Board of Directors of the Company (the "Board" and, as of the date hereof, the "Incumbent Board") cease for any reason to constitute at least a majority of the Board, provided that any person who becomes a director

subsequent to the date hereof whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (other than an individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of directors of the Company, as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) shall be, for purposes of this section, considered as though such person were a member of the Incumbent Board; or

c. Approval by the stockholders of the Company of a reorganization, merger or consolidation, in each case with respect to which persons who were the stockholders of the Company immediately prior to such reorganization, merger or consolidation do not, immediately thereafter, own more than 50% of, respectively, the common stock and the combined voting power entitled to vote generally in the election of directors of the reorganized, merged or consolidated corporation's then-outstanding voting securities, or of a liquidation or dissolution of the Company or of the sale of all or substantially all of the assets of the Company.

3. Anti-Dilution Provisions. In the event that, during the term of this Agreement, there is any change in the number of shares of outstanding Common Stock of the Company by reason of stock dividends, recapitalizations, mergers,

consolidations, split-ups, combinations or exchanges of shares and the like, the number of shares covered by this option agreement and the price thereof shall be adjusted, to the same proportionate number of shares and price as in this original agreement.

4. Investment Purpose. Optionee represents that, in the event of the exercise by him of the option hereby granted, or any part thereof, he intends to purchase the shares acquired on such exercise for investment and not with a view to resale or other distribution; except that the Company, at its election, may waive or release this condition in the event the shares acquired on exercise of the option are registered under the Securities Act of 1933, or upon the happening of any other contingency which the Company shall determine warrants the waiver or release of this condition. Optionee agrees that the certificates evidencing the shares acquired by him on exercise of all or any part of this option, may bear a restrictive legend, if appropriate, indicating that the shares have not been registered under said Act and are subject to restrictions on the transfer thereof, which legend may be in the following form (or such other form as the Company shall determine to be proper), to-wit:

"The shares represented by this certificate have not been registered under the Securities Act of 1933, but have been issued or transferred to the registered owner pursuant to the exemption afforded by Section 4(2) of said Act. No transfer or assignment of these shares by the registered owner shall be valid or effective, and the issuer of these shares shall not be required to give any effect to any transfer or attempted transfer of these shares, including without limitation, a

transfer by operation of law, unless (a) the issuer shall have received an opinion of its counsel that the shares may be transferred without requirement of registration under said Act, or (b) there shall have been delivered to the issuer a 'no-action' letter from the staff of the Securities and Exchange Commission, or (c) the shares are registered under said Act."

5. Non-Transferability. Neither the option hereby granted nor any rights thereunder or under this Agreement may be assigned, transferred or in any manner encumbered except by will or the laws of descent and distribution, and any attempted assignment, transfer, mortgage, pledge or encumbrance except as herein authorized, shall be void and of no effect. The option may be exercised during Optionee's lifetime only by him.

6. Termination of Employment. In the event of the termination of employment of Optionee other than by death, the option granted may be exercised at the times and to the extent provided in paragraph 9 of the Plan.

7. Death of Optionee. In the event of the death of Optionee during the term of this Agreement and while he is employed by the Company (or a subsidiary), or within three (3) months after the termination of his employment (or one (1) year in the case of the termination of employment of an Optionee who is disabled as provided in the Plan), this option may be exercised, to the extent that he was entitled to exercise it at the date of his death, by a legatee or legatees of Optionee under his last will, or by his personal representatives or distributees, at any time within a period of one (1) year after his death, but not after ten (10) years from the date hereof, and

only if and to the extent that he was entitled to exercise the option at the date of his death.

8. Shares Issued on Exercise of Option. It is the intention of the Company that on any exercise of this option it will transfer to Optionee shares of its authorized but unissued stock or transfer Treasury shares, or utilize any combination of Treasury shares and authorized but unissued shares, to satisfy its obligations to deliver shares on any exercise hereof. Notwithstanding the foregoing, so long as the Deposit and Trust Agreement referred to in Paragraph 2 of the Plan remains in effect, Optionee will be issued Common Stock Trust Receipts upon exercise of this option in lieu of shares of Common Stock in accordance with the terms of said Agreement.

9. Committee Administration. This option has been granted pursuant to a determination made by the Committee, and such Committee or any successor or substitute committee authorized by the Board of Directors or the Board of Directors itself, subject to the express terms of this option, shall have plenary authority to interpret any provision of this option and to make any determinations necessary or advisable for the administration of this option and the exercise of the rights herein granted, and may waive or amend any provisions hereof in any manner not adversely affecting the rights granted to Optionee by the express terms hereof.

10. Option Not an Incentive Stock Option. This option shall not be treated as an incentive stock option under Section 422 of the Internal Revenue Code of 1986, as amended.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its Vice President and to be attested by its Secretary under the seal of the Company, pursuant to due authorization, and Optionee has signed this Agreement to evidence his acceptance of the option herein granted and of the terms hereof, all as of the date hereof.

ESCO ELECTRONICS CORPORATION

By

Vice President

ATTEST:

Secretary

Optionee

("Committee") has been appointed by the Board of Directors, and designated by it, as the Committee to make grants of options.

2. Grant and Terms of Option. Pursuant to action of the Committee, which action was taken on February 9, 1999 ("Date of Grant"), the Company grants to Optionee the option to purchase all or any part of () shares of the Common Stock of the Company, of the par value of \$0.01 per share ("Common Stock"), for a period of ten (10) years from the Date of Grant, at the purchase price of \$ per share; provided, however, that the right to exercise such option shall be, and is hereby, restricted so that no shares may be purchased prior to October 1, 2000; that at any time during the term of this option on or after October 1, 2,000, Optionee may purchase up to 33-1/3% of the total number of shares to which this option relates; that at any time during the term of this option on or after October 1, 2001, Optionee may purchase up to an additional 33-1/3% of the total number of shares to which this option relates; and that at any time on or after October 1, 2002, Optionee may purchase up to an additional 33-1/3% of the total number of shares to which this option relates; so that on October 1, 2002 during the term hereof, Optionee will have become entitled to purchase the entire number of shares to which this option relates. In no event may this option or any part thereof be exercised after the expiration of ten (10) years from the Date of Grant. The purchase price of the shares subject to the option may be paid for (i) in cash, (ii) in the discretion of the

Committee, by tender of shares of Common Stock already owned by Optionee, or (iii) in the discretion of the Committee, by a combination of methods of payment specified in clauses (i) and (ii), all in accordance with Paragraph 8 of the Plan. No shares of Common Stock may be tendered in exercise of this option if such shares were acquired by Optionee through the exercise of an Incentive Stock Option, unless (i) such shares have been held by Optionee for at least one year, and (ii) at least two years have elapsed since such Incentive Stock Option was granted.

3. Anti-Dilution Provisions. In the event that, during the term of this Agreement, there is any change in the number of shares of outstanding Common Stock of the Company by reason of stock dividends, recapitalizations, mergers, consolidations, split-ups, combinations or exchanges of shares and the like, the number of shares covered by this option agreement and the price thereof shall be adjusted, to the same proportionate number of shares and price as in this original agreement.

4. Investment Purpose. Optionee represents that, in the event of the exercise by him of the option hereby granted, or any part thereof, he intends to purchase the shares acquired on such exercise for investment and not with a view to resale or other distribution; except that the Company, at its election, may waive or release this condition in the event the shares acquired on exercise of the option are registered under the Securities Act of 1933, or upon the happening of any other contingency which the

Company shall determine warrants the waiver or release of this condition. Optionee agrees that the certificates evidencing the shares acquired by him on exercise of all or any part of this option, may bear a restrictive legend, if appropriate, indicating that the shares have not been registered under said Act and are subject to restrictions on the transfer thereof, which legend may be in the following form (or such other form as the Company shall determine to be proper), to-wit:

"The shares represented by this certificate have not been registered under the Securities Act of 1933, but have been issued or transferred to the registered owner pursuant to the exemption afforded by Section 4(2) of said Act. No transfer or assignment of these shares by the registered owner shall be valid or effective, and the issuer of these shares shall not be required to give any effect to any transfer or attempted transfer of these shares, including without limitation, a transfer by operation of law, unless (a) the issuer shall have received an opinion of its counsel that the shares may be transferred without requirement of registration under said Act, or (b) there shall have been delivered to the issuer a 'no-action' letter from the staff of the Securities and Exchange Commission, or (c) the shares are registered under said Act."

5. Non-Transferability. Neither the option hereby granted nor any rights thereunder or under this Agreement may be assigned, transferred or in any manner encumbered except by will or the laws of descent and distribution, and any attempted assignment, transfer, mortgage, pledge or encumbrance except as herein authorized, shall be void and of no effect. The option may be exercised during Optionee's lifetime only by him.

6. Termination of Employment. In the event of the termination of employment of Optionee other than by death, the option granted may be exercised at the times and to the extent

provided in paragraph 9 of the Plan.

7. Death of Optionee. In the event of the death of Optionee during the term of this Agreement and while he is employed by the Company (or a subsidiary), or within three (3) months after the termination of his employment (or one (1) year in the case of the termination of employment of an Optionee who is disabled as provided in the Plan), this option may be exercised, to the extent that he was entitled to exercise it at the date of his death, by a legatee or legatees of Optionee under his last will, or by his personal representatives or distributees, at any time within a period of one (1) year after his death, but not after ten (10) years from the date hereof, and only if and to the extent that he was entitled to exercise the option at the date of his death.

8. Shares Issued on Exercise of Option. It is the intention of the Company that on any exercise of this option it will transfer to Optionee shares of its authorized but unissued stock or transfer Treasury shares, or utilize any combination of Treasury shares and authorized but unissued shares, to satisfy its obligations to deliver shares on any exercise hereof. Notwithstanding the foregoing, so long as the Deposit and Trust Agreement referred to in Paragraph 2 of the Plan remains in effect, Optionee will be issued Common Stock Trust Receipts upon exercise of this option in lieu of shares of Common Stock in accordance with the terms of said Agreement.

9. Committee Administration. This option has been

granted pursuant to a determination made by the Committee, and such Committee or any successor or substitute committee authorized by the Board of Directors or the Board of Directors itself, subject to the express terms of this option, shall have plenary authority to interpret any provision of this option and to make any determinations necessary or advisable for the administration of this option and the exercise of the rights herein granted, and may waive or amend any provisions hereof in any manner not adversely affecting the rights granted to Optionee by the express terms hereof.

10. Option an Incentive Stock Option. It is intended that this option shall be treated as an incentive stock option under Section 422 of the Internal Revenue Code of 1986, as amended.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its Vice President and to be attested by its Secretary under the seal of the Company, pursuant to due authorization, and Optionee has signed this Agreement to evidence his acceptance of the option herein granted and of the terms hereof, all as of the date hereof.

ESCO ELECTRONICS CORPORATION

By

Vice President

ATTEST:

Secretary

Optionee

The Committee referred to in Paragraph 4 of the Plan ("Committee") has been appointed by the Board of Directors, and designated by it, as the Committee to make grants of options.

2. Grant and Terms of Option. Pursuant to action of the Committee, which action was taken on February 9, 1999 ("Date of Grant"), the Company grants to Optionee the option to purchase all or any part of () shares of the Common Stock of the Company, of the par value of \$0.01 per share ("Common Stock"), for a period of ten (10) years from the Date of Grant, at the purchase price of \$ per share; provided, however, that the right to exercise such option shall be, and is hereby, restricted so that no shares may be purchased prior to October 1, 2000; that at any time during the term of this option on or after October 1, 2000, Optionee may purchase up to 33-1/3% of the total number of shares to which this option relates; that at any time during the term of this option on or after October 1, 2001, Optionee may purchase up to an additional 33-1/3% of the total number of shares to which this option relates; and that at any time on or after October 1, 2002, Optionee may purchase up to an additional 33-1/3% of the total number of shares to which this option relates; so that on October 1, 2002 during the term hereof, Optionee will have become entitled to purchase the entire number of shares to which this option relates. Notwithstanding the foregoing, in the event of a Change of Control (as hereinafter defined) Optionee may purchase 100% of the total number of shares to which this option relates.

In no event may this option or any part thereof be exercised after the expiration of ten (10) years from the Date of Grant. The purchase price of the shares subject to the option may be paid for (i) in cash, (ii) in the discretion of the Committee, by tender of shares of Common Stock already owned by Optionee, or (iii) in the discretion of the Committee, by a combination of methods of payment specified in clauses (i) and (ii), all in accordance with Paragraph 8 of the Plan. No shares of Common Stock may be tendered in exercise of this option if such shares were acquired by Optionee through the exercise of an Incentive Stock Option, unless (i) such shares have been held by Optionee for at least one year, and (ii) at least two years have elapsed since such Incentive Stock Option was granted. For the purposes of this Agreement, a Change of Control means:

a. The purchase or other acquisition (other than from the Company) by any person, entity or group of persons, within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (excluding, for this purpose, the Company or its subsidiaries or any employee benefit plan of the Company or its subsidiaries), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either the then-outstanding shares of common stock of the Company or the combined voting power of the Company's then-outstanding voting securities entitled to vote generally in the election of directors; or

b. Individuals who, as of the date hereof, constitute the Board of Directors of the Company (the "Board" and, as of the date hereof, the "Incumbent Board") cease for any reason to constitute at least a majority of the Board, provided that any person who becomes a director subsequent to the date hereof whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (other than an individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of directors of the Company, as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) shall be, for purposes of this section, considered as though such person were a member of the Incumbent Board; or

c. Approval by the stockholders of the Company of a reorganization, merger or consolidation, in each case with respect to which persons who were the stockholders of the Company immediately prior to such reorganization, merger or consolidation do not, immediately thereafter, own more than 50% of, respectively, the common stock and the combined voting power entitled to vote generally in the election of directors of the reorganized, merged or consolidated corporation's then-outstanding voting securities, or of a liquidation or dissolution of the Company or of the sale of

all or substantially all of the assets of the Company.

3. Anti-Dilution Provisions. In the event that, during the term of this Agreement, there is any change in the number of shares of outstanding Common Stock of the Company by reason of stock dividends, recapitalizations, mergers, consolidations, split-ups, combinations or exchanges of shares and the like, the number of shares covered by this option agreement and the price thereof shall be adjusted, to the same proportionate number of shares and price as in this original agreement.

4. Investment Purpose. Optionee represents that, in the event of the exercise by him of the option hereby granted, or any part thereof, he intends to purchase the shares acquired on such exercise for investment and not with a view to resale or other distribution; except that the Company, at its election, may waive or release this condition in the event the shares acquired on exercise of the option are registered under the Securities Act of 1933, or upon the happening of any other contingency which the Company shall determine warrants the waiver or release of this condition. Optionee agrees that the certificates evidencing the shares acquired by him on exercise of all or any part of this option, may bear a restrictive legend, if appropriate, indicating that the shares have not been registered under said Act and are subject to restrictions on the transfer thereof, which legend may be in the following form (or such other form as the Company shall determine to be proper), to-wit:

"The shares represented by this certificate have not been registered under the Securities Act of 1933, but have been issued or transferred to the registered owner pursuant to the exemption afforded by Section 4(2) of said Act. No transfer or assignment of these shares by the registered owner shall be valid or effective, and the issuer of these shares shall not be required to give any effect to any transfer or attempted transfer of these shares, including without limitation, a transfer by operation of law, unless (a) the issuer shall have received an opinion of its counsel that the shares may be transferred without requirement of registration under said Act, or (b) there shall have been delivered to the issuer a 'no-action' letter from the staff of the Securities and Exchange Commission, or (c) the shares are registered under said Act."

5. Non-Transferability. Neither the option hereby granted nor any rights thereunder or under this Agreement may be assigned, transferred or in any manner encumbered except by will or the laws of descent and distribution, and any attempted assignment, transfer, mortgage, pledge or encumbrance except as herein authorized, shall be void and of no effect. The option may be exercised during Optionee's lifetime only by him.

6. Termination of Employment. In the event of the termination of employment of Optionee other than by death, the option granted may be exercised at the times and to the extent provided in paragraph 9 of the Plan.

7. Death of Optionee. In the event of the death of Optionee during the term of this Agreement and while he is employed by the Company (or a subsidiary), or within three (3) months after the termination of his employment (or one (1) year in the case of the termination of employment of an Optionee who is disabled as provided in the Plan), this option may be

exercised, to the extent that he was entitled to exercise it at the date of his death, by a legatee or legatees of Optionee under his last will, or by his personal representatives or distributees, at any time within a period of one (1) year after his death, but not after ten (10) years from the date hereof, and only if and to the extent that he was entitled to exercise the option at the date of his death.

8. Shares Issued on Exercise of Option. It is the intention of the Company that on any exercise of this option it will transfer to Optionee shares of its authorized but unissued stock or transfer Treasury shares, or utilize any combination of Treasury shares and authorized but unissued shares, to satisfy its obligations to deliver shares on any exercise hereof. Notwithstanding the foregoing, so long as the Deposit and Trust Agreement referred to in Paragraph 2 of the Plan remains in effect, Optionee will be issued Common Stock Trust Receipts upon exercise of this option in lieu of shares of Common Stock in accordance with the terms of said Agreement.

9. Committee Administration. This option has been granted pursuant to a determination made by the Committee, and such Committee or any successor or substitute committee authorized by the Board of Directors or the Board of Directors itself, subject to the express terms of this option, shall have plenary authority to interpret any provision of this option and to make any determinations necessary or advisable for the administration of this option and the exercise of the rights

herein granted, and may waive or amend any provisions hereof in any manner not adversely affecting the rights granted to Optionee by the express terms hereof.

10. Option an Incentive Stock Option. It is intended that this option shall be treated as an incentive stock option under Section 422 of the Internal Revenue Code of 1986, as amended.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its Vice President and to be attested by its Secretary under the seal of the Company, pursuant to due authorization, and Optionee has signed this Agreement to evidence his acceptance of the option herein granted and of the terms hereof, all as of the date hereof.

ESCO ELECTRONICS CORPORATION

By _____
Vice President

ATTEST:
- _____
Secretary

Optionee

[ESCO LETTERHEAD]

December 15, 1999

ESCO Electronics Corporation
8888 Ladue Road, Suite 200
St. Louis, MO 63124

Ladies and Gentlemen:

I am Assistant Secretary and Assistant General Counsel of ESCO Electronics Corporation, a Missouri corporation (the "Company"), and in such capacity I am familiar with the Registration Statement on Form S-8 (the "Registration Statement") relating to the Company's 1999 Stock Option Plan (the "Plan") to which this letter is filed as an exhibit. The Registration Statement registers 610,000 shares of the Company's common stock, par value \$0.01 per share (the "Common Stock"), offered pursuant to stock options granted and which may be granted under the Plan, including the Preferred Stock Purchase Rights associated with such Common Stock.

I have examined originals or copies, certified or otherwise identified to my satisfaction, of such documents, corporate records, certificates of public officials and other instruments as I deemed necessary for the purpose of the opinion expressed herein.

On the basis of the foregoing, I am of the opinion that the Securities to which the Registration Statement relates, when sold in accordance with the provisions of the Plan, will be legally issued, fully paid and non-assessable.

I consent to the filing of this letter as an exhibit to the Registration Statement.

Very truly yours,

/s/ Thomas B. Martin

Thomas B. Martin

TBM/bjo/W99-245

Enclosures

INDEPENDENT AUDITORS' CONSENT

The Board of Directors
ESCO Electronics Corporation:

We consent to the use of our reports incorporated herein by reference.

/s/ KPMG LLP

St. Louis, Missouri
December 14, 1999