

YUM BRANDS INC

FORM 8-K (Unscheduled Material Events)

Filed 5/13/1998 For Period Ending 4/30/1998

Address	1441 GARDINER LANE LOUISVILLE, Kentucky 40213
Telephone	502-874-8300
CIK	0001041061
Industry	Restaurants
Sector	Services
Fiscal Year	12/31

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED) APRIL 30, 1998

TRICON GLOBAL RESTAURANTS, INC.

(Exact name of registrant as specified in its charter)

NORTH CAROLINA
(State or other jurisdiction
of incorporation)

1-13163
(Commission
File Number)

93-3951308
(I.R.S. Employer
Identification No.)

1441 GARDINER LANE, LOUISVILLE, KENTUCKY 40213

(Address of principal executive offices) (ZIP code)

Registrant's telephone number, including area code:

(502) 874-8300

ITEM 5. OTHER EVENTS

Exhibits are filed herewith in connection with the Registration Statement on Form S-3 (File No. 333-42969) declared effective by the Securities and Exchange Commission on February 6, 1998 relating to an aggregate of \$2,000,000,000 of senior debt securities of TRICON Global Restaurants, Inc.

ITEM 7. EXHIBITS

- 1.1 Underwriting Agreement, dated April 30, 1998, between TRICON Global Restaurants, Inc. ("Tricon") and Goldman, Sachs & Co., as representative for itself and the other Underwriters named therein.
- 4.1 Indenture, dated as of May 1, 1998 (the "Indenture"), between Tricon and The First National Bank of Chicago, as Trustee.
- 4.2 Officers' Certificate establishing each of Tricon's 7.45% Senior Notes due May 15, 2005 and 7.65% Senior Notes due May 15, 2008 as a series of securities under the Indenture.
- 4.3 Form of 7.45% Senior Note due May 15, 2005 (included in Exhibit 4.2).
- 4.4 Form of 7.65% Senior Note due May 15, 2008 (included in Exhibit 4.2).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TRICON GLOBAL RESTAURANTS, INC.
(Registrant)

DATE: May 13, 1998

By: /s/ Christian L. Campbell

Name: Christian L. Campbell
Title: Senior Vice President,
General Counsel and Secretary

UNDERWRITING AGREEMENT

April 30, 1998

TRICON Global Restaurants, Inc.
1441 Gardiner Lane
Louisville, Kentucky 40213

Ladies and Gentlemen:

We (the "Manager") are acting on behalf of the underwriter or underwriters (including ourselves) named below (such underwriter or underwriters being herein called the "Underwriters"), and we understand that TRICON Global Restaurants, Inc., a North Carolina corporation (the "Company"), proposes to issue and sell \$350,000,000 aggregate principal amount (\$349,384,000 initial offering price) of its 7.45% Senior Notes due May 15, 2005 (the "Seven-Year Notes") and \$250,000,000 aggregate principal amount (\$249,437,500 initial offering price) of its 7.65% Senior Notes due May 15, 2008 (the "Ten-Year Notes" and, together with the Seven-Year Notes, the "Debt Securities").

Subject to the terms and conditions set forth or incorporated by reference herein, the Company hereby agrees to sell and the Underwriters agree to purchase, severally and not jointly, the (i) principal amount of the Seven-Year Notes set forth opposite their names at a purchase price of 98.449% of the principal amount thereof plus accrued interest, if any, from May 6, 1998 and (ii) principal amount of the Ten-Year Notes set forth opposite their names at a purchase price of 98.275% of the principal amount thereof plus accrued interest, if any, from May 5, 1998:

Name ----	Principal Amount of Seven-Year Notes -----	Principal Amount of Ten-Year Notes -----
Goldman, Sachs & Co.	\$ 210,002,000	\$ 150,001,000
Chase Securities Inc.	46,666,000	33,333,000
Lehman Brothers Inc.	46,666,000	33,333,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	46,666,000	33,333,000
	-----	-----
	\$ 350,000,000	\$ 250,000,000
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The Underwriters will pay for the Debt Securities upon delivery thereof to the Depository Trust Company ("DTC") or its designated custodian at (i) in the case of the Seven-Year Notes, 10:00 a.m. (New York time) on May 6, 1998, or at such other time, not later than 5:00 p.m. (New York time) on May 6, 1998, as shall be designated by the Manager and (ii) in the case of the Ten-Year Notes, 10:00 a.m. (New York time) on May 5, 1998, or at such other time, not later than 5:00 p.m. (New York time) on May 5, 1998, as shall be designated by the Manager. The times and dates of such payments and deliveries are each hereinafter referred to successively as the "Closing Date."

The Debt Securities shall have the terms set forth in the Prospectus dated April 15, 1998, as supplemented by the Prospectus Supplement dated April 30, 1998, including the following:

TERMS OF DEBT SECURITIES:

A. The Seven-Year Notes

Maturity Date:	May 15, 2005
Interest Rate:	7.45%
Redemption Provisions:	As set forth in the Prospectus Supplement under "Description of Notes."
Interest Payment Dates:	May 15 and November 15 commencing November 15, 1998 (interest accrues from May 6, 1998).

Form and Denominations: Global Note registered in the name of Cede & Co., as the nominee of DTC. Beneficial interests in such Global Note will be in denominations of \$1,000 and integral multiples thereof.

Ranking: The Seven-Year Notes will be senior unsecured debt obligations of the Company issued under the Indenture, dated as of May 1, 1998 (the "Indenture"), by and among the Company, as issuer, and The First National Bank of Chicago, as trustee (the "Trustee"), and will rank PARI PASSU with all other senior unsecured indebtedness of the Company from time to time outstanding.

B. The Ten-Year Notes

Maturity Date: May 15, 2008

Interest Rate: 7.65%

Redemption Provisions: As set forth in the Prospectus Supplement under "Description of Notes."

Interest Payment Dates: May 15 and November 15 commencing November 15, 1998 (interest accrues from May 5, 1998).

Form and Denominations: Global Note registered in the name of Cede & Co., as the nominee of DTC. Beneficial Interests in such Global Note will be in denominations of \$1,000 and integral multiples thereof.

Ranking: The Ten-Year Notes will be senior unsecured debt obligations of the Company issued under the Indenture and will rank PARI PASSU with all other senior unsecured indebtedness of the Company from time to time outstanding.

All provisions contained in the document entitled TRICON Global Restaurants, Inc. Underwriting Agreement Standard Provisions (Debt Securities) dated April 30, 1998, a copy of which is attached hereto, are hereby incorporated by reference in their entirety and shall be deemed to be a part of this Agreement to the same extent as if such provisions had been set forth in full herein, except that if any term defined in such document is otherwise defined herein, the definition set forth herein shall control.

Please confirm your agreement by having an authorized officer sign a copy of this Agreement in the space set forth below.

Very truly yours,

GOLDMAN, SACHS & CO.,
acting severally on behalf of themselves
and the Underwriters named herein

By: /s/ Michael R. Lynch

Name: Michael R. Lynch
Title: Managing Director

NOTICE INFORMATION:
Goldman, Sachs & Co.
85 Broad Street
New York, NY 10004
Telephone No.: (212) 902-1000
Facsimile No.: (212) 902-3000

Accepted:

TRICON GLOBAL RESTAURANTS, INC.

By: /s/ Robert C. Lowes

Name: Robert C. Lowes
Title: Chief Financial Officer

By: /s/ Sandra S. Wijnberg

Name: Sandra S. Wijnberg
Title: Senior Vice President
and Treasurer

NOTICE INFORMATION:
TRICON Global Restaurants, Inc.
1441 Gardiner Lane
Louisville, Kentucky 40213
Telephone No.: (502) 874-1000
Facsimile No.: (502) 874-8016
Attention: Christian L. Campbell, Esq.
and Sandra S. Wijnberg

TRICON GLOBAL RESTAURANTS, INC.

UNDERWRITING AGREEMENT

**STANDARD PROVISIONS
(DEBT SECURITIES)**

April 30, 1998

From time to time, TRICON Global Restaurants, Inc., a North Carolina corporation (the "Company"), may enter into one or more underwriting agreements that provide for the sale of designated securities to the several underwriters named therein. The standard provisions set forth herein may be incorporated by reference in any such underwriting agreement (an "Underwriting Agreement"). The Underwriting Agreement, including the provisions incorporated therein by reference, is herein referred to as "this Agreement." Terms defined in this Agreement are used herein as therein defined.

The Company has filed with the Securities and Exchange Commission (the "Commission") a registration statement including a prospectus, which, among other things, relates to the Debt Securities and has filed with, or transmitted for filing to, or shall promptly hereafter file with or transmit for filing to, the Commission a prospectus supplement (the "Prospectus Supplement") specifically relating to the Debt Securities pursuant to Rule 424(b) under the Securities Act of 1933, as amended (the "Securities Act"), and/or a term sheet or an abbreviated term sheet (each, a "Term Sheet"), pursuant to Rule 434 of the rules and regulations of the Commission under the Securities Act (the "Securities Act Regulations"), specifically relating to the Debt Securities. The term Registration Statement means the registration statement as amended to the date of this Agreement. The term Basic Prospectus means the prospectus included in the Registration Statement at the time the Registration Statement was declared effective by the Commission. The term Prospectus means the Basic Prospectus together with the final Prospectus Supplement in the form in which it has most recently been filed, or transmitted for filing, with the Commission on or prior to the date of this Agreement. The term preliminary prospectus means a preliminary prospectus supplement specifically relating to the Debt Securities together with the Basic Prospectus. Any reference herein to the Registration Statement or the Prospectus shall be deemed to refer to and include the documents, financial statements and schedules incorporated by

reference therein or deemed to be incorporated by reference therein pursuant to Item 12 of Form S-3 under the Securities Act, and any reference to any amendment or supplement to the Registration Statement or the Prospectus shall be deemed to refer to and include any documents, financial statements and schedules filed by the Company with the Commission under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and so incorporated by reference or deemed to be incorporated therein (such incorporated documents, financial statements and schedules being herein called the "Incorporated Documents"). Notwithstanding the foregoing, for purposes of this Agreement any prospectus, prospectus supplement, term sheet or abbreviated term sheet prepared or filed with respect to an offering pursuant to the Registration Statement of a series of securities other than the Debt Securities shall not be deemed to have supplemented the Prospectus.

1. REPRESENTATIONS AND WARRANTIES. The Company represents and warrants to each of the Underwriters that:

(a) (i) The Registration Statement has been declared effective by the Commission and no stop order suspending the effectiveness of the Registration Statement is in effect nor, to the Company's knowledge, are any proceedings for such purpose pending before or threatened by the Commission,

(ii) as of the Effective Date, the Company met the applicable requirements for use of Form S-3 under the Securities Act with respect to the registration under the Securities Act of \$2,000,000,000 in aggregate public offering price of Debt Securities and (iii) as of the Effective Date, the Registration Statement met the requirements set forth in Rule 415(a)(1)(x) under the Securities Act and complied in all material respects with said Rule.

(b) (i) Each document, if any, filed or to be filed pursuant to the Exchange Act and incorporated or to be incorporated by reference in the Prospectus complies or will comply, in all material respects, with the applicable provisions of the Exchange Act and the rules and regulations of the Commission thereunder, (ii) the Registration Statement and any amendments thereto, do not and will not, as of the applicable effective date, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading,

(iii) the Registration Statement and the Prospectus comply, and any further amendments or supplements to the Registration Statement or the Prospectus will comply, in all material respects, with the Securities Act and the Securities Act Regulations, and the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act") and (iv) the Prospectus and any amendment or supplement thereto, do not and will not, as of the date thereof, contain any untrue statement of a material fact or omit to state

a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; PROVIDED, HOWEVER, that the Company makes no representations and warranties (1) as to information contained in or omitted from the Registration Statement or the Prospectus in reliance upon and in conformity with information furnished in writing to the Company by or on behalf of the Underwriters expressly for use in the Registration Statement or the Prospectus or any amendment or supplement thereto, or (2) as to that part of the Registration Statement that constitutes the Statement of Eligibility and Qualification of the Trustee (the "Form T-1") under the Trust Indenture Act.

(c) Each of the Company and KFC Corporation, Pizza Hut, Inc. and Taco Bell Corp. (each a "Principal Subsidiary") has been duly incorporated and is validly existing and in good standing under the laws of its state of incorporation, has the corporate power and authority to own its property and to conduct its business as described in the Prospectus, and is duly qualified to transact business as a foreign corporation and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or in good standing would not have a material adverse effect on the Company and its subsidiaries taken as a whole. All of the outstanding shares of capital stock or other securities evidencing equity ownership of each Principal Subsidiary have been duly and validly authorized and issued and are fully paid and non-assessable, and are owned by the Company free and clear of any security interest, claim, lien or encumbrance.

(d) The Indenture has been duly qualified under the Trust Indenture Act and has been duly authorized, executed, and delivered by the Company and (assuming due authorization, valid execution, and delivery thereof by the Trustee) is a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, except to the extent that (x) enforcement thereof may be limited by (i) the laws of bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium, or similar laws relating to or affecting creditors' rights generally (whether now or hereafter in effect),

(ii) laws limiting rights of indemnity or contribution, or (iii) equitable principles of general applicability (regardless of whether enforceability is considered in a proceeding at law or in equity) and (y) the waiver contained in

Section 6.12 of the Indenture may be deemed unenforceable; and the Indenture conforms in all material respects to the description thereof contained in the Prospectus.

(e) This Agreement has been duly authorized, executed, and delivered by the Company.

(f) The Debt Securities have been duly authorized and, when issued, executed, and authenticated in accordance with the provisions of the Indenture (which will be substantially in the form filed as an exhibit to the Registration Statement), and delivered to and duly paid for in accordance with the applicable provisions of the Prospectus and this Agreement, will be entitled to the benefits of the Indenture and will be valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms, except to the extent that (x) enforcement thereof may be limited by (i) the laws of bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium, or similar laws relating to or affecting creditors' rights generally (whether now or hereafter in effect), (ii) laws limiting rights of indemnity or contribution, or (iii) equitable principles of general applicability (regardless of whether enforceability is considered in a proceeding at law or in equity) and (y) the waiver contained in Section 6.12 of the Indenture may be deemed unenforceable; and the Debt Securities will conform in all material respects to the description thereof contained in the Prospectus.

(g) The execution and delivery of this Agreement and the Indenture by the Company, the issuance and sale of the Debt Securities and the performance by the Company of its obligations under this Agreement, the Debt Securities and the Indenture, as the case may be, will not conflict with or constitute a breach or violation of or default (with the passage of time or otherwise) under (A) the Restated Articles of Incorporation or By-Laws of the Company, (B) any agreement or other instrument binding upon the Company or any of its subsidiaries, which breach or default would, singly or in the aggregate, have a material adverse effect on the consolidated financial condition or earnings of the Company and its subsidiaries, considered as one enterprise, (C) any statute, law or regulation to which the Company or any of its properties may be subject, which violation would, singly or in the aggregate, have a material adverse effect on the consolidated financial condition or earnings of the Company and its subsidiaries, considered as one enterprise, or (D) of any judgment, order, or decree of any governmental body, agency, or court having jurisdiction over the Company or any of its subsidiaries; and no consent, approval, authorization, or order of or qualification or registration with any governmental body or agency is, to the Company's knowledge, required for the performance by the Company of its obligations under this Agreement, the Debt Securities or the Indenture, other than registration thereof under the Securities Act, qualification of the Indenture under the Trust Indenture Act and such registrations

or qualifications as may be necessary under the Blue Sky laws or other securities laws of the various states in which the Debt Securities may be offered and sold.

(h) There has not been any material adverse change (or development involving a prospective material adverse change) in the business, properties, earnings, or financial condition of the Company and its subsidiaries on a consolidated basis from that set forth in the Company's last periodic report filed with the Commission under the Exchange Act and the rules and regulations promulgated thereunder.

(i) There are no legal or governmental proceedings pending or, to the Company's knowledge, threatened, to which the Company or any of its subsidiaries is a party or to which any of the properties of the Company or any of its subsidiaries is subject that is required to be described in the Registration Statement or the Prospectus and is not so described, or any applicable statute, regulation, contract, or other document that is required to be described in the Registration Statement or the Prospectus that is not so described.

(j) The Company is not and, after giving effect to the offering and sale of the Debt Securities, will not be an "investment company" or an entity "controlled" by an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended.

(k) KPMG Peat Marwick LLP, who has certified certain financial statements of the Company and its subsidiaries, are, to the Company's knowledge, independent public accountants as required by the Securities Act and the Securities Act Regulations.

2. PUBLIC OFFERING. The Company is advised by the Manager that the Underwriters propose to make a public offering of their respective portions of the Debt Securities as soon after this Agreement has been entered into as in the Manager's judgment is advisable. The terms of the public offering of the Debt Securities have been provided by the Manager to the Company and are in all material respects completely set forth in the Prospectus.

3. PURCHASE AND DELIVERY. Except as otherwise provided in this Section 3, payment for the Debt Securities shall be made by wire transfer, of immediately available funds, by the Underwriters to the order of the Company, at the time set forth in this Agreement, upon delivery to the Manager for the respective accounts of the several Underwriters of the Debt Securities, registered in such names and in such denominations

as the Manager shall request in writing not less than two full business days prior to the date of delivery. Delivery on the applicable Closing Date of any Debt Securities that are in bearer form shall be effected by delivery of a single temporary global Debt Security without coupons (the "Global Debt Security"), evidencing the Debt Securities that are Debt Securities in bearer form to a common depository for Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euro-clear System ("Euro-clear"), and for Centrale de Livraison de Valeurs Mobilières S.A. ("CEDEL") for credit to the respective accounts at Euro-clear or CEDEL of each Underwriter or to such other accounts as such Underwriter may direct. Any Global Debt Security shall be delivered to the Manager not later than the applicable Closing Date, against payment of funds to the Company in the net amount due to the Company for such Global Debt Security by the method and in the form set forth herein.

The Company shall cause definitive Debt Securities in bearer form to be prepared and delivered in exchange for such Global Debt Security in such manner and at such time as may be provided in or pursuant to the Indenture; provided, however, that the Global Debt Security shall be exchangeable for definitive Debt Securities in bearer form only on or after the date specified for such purpose in the Prospectus.

4. PAYMENT OF EXPENSES. The Company will pay all expenses incident to the performance of its obligations under this Agreement, including (i) the preparation, printing and filing of the Registration Statement (including financial statements and exhibits) as originally filed and of each amendment thereto, (ii) the printing and delivery to the Underwriters of this Agreement, any agreement among Underwriters, the Indenture and such other documents as may be required in connection with the offering, purchase, sale and delivery of the Debt Securities, (iii) the preparation, issuance and delivery of the Debt Securities and any certificates for the Debt Securities to the Underwriters, (iv) the fees and disbursements of the Company's counsel, accountants and other advisors or agents (including transfer agents and registrars), as well as the fees and disbursements of the Trustee and its counsel, (v) the qualification of the Debt Securities under state securities laws or the applicable laws of any foreign jurisdiction in which the Debt Securities are offered in accordance with the provisions of Section 6(g) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Underwriters in connection therewith and in connection with the preparation, printing and delivery of the Blue Sky Survey and any Legal Investment Survey, and any amendment thereto, (vi) the printing and delivery to the Underwriters of copies of each preliminary prospectus, any Term Sheet, and the Prospectus and any amendments or supplements thereto, (vii) the fees charged by nationally recognized statistical rating organizations for the rating of the Debt Securities, and (viii) the fees and expenses incurred with respect to the listing of the Debt Securities on any securities exchange.

5. **CONDITIONS TO CLOSING.** The several obligations of the Underwriters hereunder are subject to (i) the condition that the representations and warranties of the Company contained herein are true and correct (or, with respect to the representations and warranties contained in Section 1 that are not qualified as to materiality, are true and correct in all material respects) and the Company has complied with all agreements required by this Agreement or the Indenture on its part to be performed, and (ii) the following additional conditions precedent:

(a) The Prospectus shall have been filed with the Commission pursuant to Rule 424(b) within the applicable time period prescribed for such filing by the Securities Act Regulations and in accordance with Section 6(b) hereof; no stop order suspending the effectiveness of the Registration Statement or any part thereof shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission; and all requests for additional information on the part of the Commission shall have been complied with to the Manager's reasonable satisfaction.

(b) **OPINION OF COUNSEL EMPLOYED BY THE COMPANY.** On the applicable Closing Date, the Underwriters shall have received an opinion of Christian L. Campbell, Esq., Senior Vice President, General Counsel and Secretary of the Company, or such other counsel as may be selected by the Company and agreed to by the Manager, dated as of the applicable Closing Date, in form and substance reasonably satisfactory to the Manager to the effect that:

(i) The Company has been duly incorporated and is validly existing and in good standing under the laws of the State of North Carolina. Each Principal Subsidiary is validly existing and in good standing under the laws of its state of incorporation.

(ii) The Company has the corporate power and authority to enter into and perform its obligations under this Agreement and the Indenture and to issue and sell the Debt Securities.

(iii) This Agreement has been duly authorized, executed and delivered by the Company.

(iv) The Indenture has been duly authorized, executed and delivered by the Company.

(v) The Debt Securities have been duly authorized by the Company.

(vi) The execution and delivery of this Agreement and the Indenture by the Company, the issuance and sale of the Debt Securities, and the performance by the Company of its obligations under this Agreement, the Debt Securities and the Indenture, as the case may be, will not conflict with or constitute a breach or violation of or default (with the passage of time or otherwise) under (A) the Restated Articles of Incorporation or By-Laws of the Company, (B) subject to the Company's compliance with any applicable covenants pertaining to its incurrence of unsecured indebtedness contained therein, any agreement or other instrument binding upon the Company or any of its subsidiaries, which breach or default would, singly or in the aggregate, have a material adverse effect on the consolidated financial condition or earnings of the Company and its subsidiaries, considered as one enterprise, (C) any statute, law or regulation to which the Company or any of its properties may be subject, or (D) to such counsel's knowledge, after due inquiry, any judgment, order, or decree of any governmental body, agency, or court having jurisdiction over the Company or any of its subsidiaries, except that such counsel may state that the opinion set forth in clause (C) of this paragraph (vi) is limited to those statutes, laws or regulations in effect on the date of this opinion which, in such counsel's experience, are normally applicable to transactions of the type contemplated by this Agreement and such counsel expresses no opinion as to the Blue Sky laws or other securities laws of the various states in which the Debt Securities may be offered and sold.

(vii) No consent, approval, authorization, or order of or qualification or registration with any court or other governmental body or agency is, to such counsel's knowledge, required for the performance by the Company of its obligations under this Agreement, the Debt Securities or the Indenture, other than registration thereof under the Securities Act, qualification of the Indenture under the Trust Indenture Act, and such registrations or qualifications as may be necessary under the Blue Sky laws or other securities laws of the various states in which the Debt Securities may be offered and sold.

(viii) To such counsel's knowledge after due inquiry, there is no legal or governmental proceeding pending or threatened, no statute or regulation, and no agreement, instrument, or other document to which, in any case, the Company or any of its subsidiaries is a party, or by which, in any case, any of the properties of the Company or its subsidiaries is bound, that is required to be

described in the Registration Statement or the Prospectus, or that is required to be filed as an exhibit to the Registration Statement, that is not so described or filed.

(ix) Each document incorporated, or deemed to be incorporated, by reference in the Registration Statement and the Prospectus, at the time such document was filed with the Commission appeared on its face to be appropriately responsive in all material respects to the requirements of the Exchange Act and the rules and regulations of the Commission thereunder, except that in each case such counsel need not express an opinion as to the financial statements, schedules and other financial data included or incorporated by reference in, or excluded from, the Registration Statement or the Prospectus.

In addition, such counsel shall state that he has participated in conferences with officers and other representatives of the Company, counsel employed by the Company, representatives of the independent accountants for the Company, representatives of the Underwriters and counsel for the Underwriters, at which the contents of the Registration Statement and Prospectus and related matters were discussed and, although such counsel is not passing upon, and does not assume any responsibility for, the accuracy, completeness or fairness of the statements contained in the Registration Statement or the Prospectus and has not made any independent check or verification thereof, on the basis of the foregoing, no facts have come to such counsel's attention that have led him to believe that the Registration Statement (including the documents incorporated, or deemed to be incorporated, by reference therein), at the time the Company filed its Annual Report on Form 10-K for the fiscal year ended December 27, 1997, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or that the Prospectus (including the documents incorporated, or deemed to be incorporated, by reference therein), as of the date of this Agreement and at the Closing Date, contained or contains an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, except that such counsel need express no opinion or belief with respect to (i) the financial statements, schedules and other financial data included or incorporated by reference in, or excluded from, the Registration Statement or the Prospectus or (ii) the Form T-1.

(c) OPINION OF COUNSEL TO THE COMPANY. On the Closing Date, the Underwriters shall have received an opinion from Skadden, Arps, Slate, Meagher &

Flom LLP, counsel to the Company, dated as of the applicable Closing Date, in form and substance reasonably satisfactory to the Manager to the effect that:

(i) Assuming the Indenture has been duly authorized, executed, and delivered by the Company and, assuming due authorization, valid execution, and delivery by the Trustee, the Indenture is a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, except to the extent that (x) enforcement thereof may be limited by (i) the laws of bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium, or similar laws relating to or affecting creditors' rights generally (whether now or hereafter in effect), (ii) laws limiting rights of indemnity or contribution, or (iii) equitable principles of general applicability (regardless of whether enforceability is considered in a proceeding at law or in equity) and (y) the waiver contained in Section 6.12 of the Indenture may be deemed unenforceable.

(ii) Assuming the Debt Securities have been duly authorized by the Company, when issued, executed, and authenticated in accordance with the provisions of the Indenture, and delivered to and duly paid for in accordance with the applicable provisions of the Prospectus and this Agreement, the Notes will be entitled to the benefits of the Indenture and will be valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms, except to the extent that (x) enforcement thereof may be limited by (i) the laws of bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium, or similar laws relating to or affecting creditors' rights generally (whether now or hereafter in effect), (ii) laws limiting rights of indemnity or contribution, or (iii) equitable principles of general applicability (regardless of whether enforceability is considered in a proceeding at law or in equity), and (y) the waiver contained in Section 6.12 of the Indenture may be deemed unenforceable.

(iii) The statements in the Prospectus under the captions "Description of the Debt Securities" and "Description of Notes," insofar as they purport to summarize certain provisions of the Indenture and the Debt Securities, are in all material respects accurate summaries of such provisions and, to the extent that such statements constitute matters of law, summaries of legal matters, legal proceedings or legal conclusions, are accurate and complete in all material respects.

(iv) Although the discussion set forth in the Prospectus under the heading "Certain United States Federal Tax Considerations" does not purport to discuss all possible United States federal income tax consequences of the purchase, ownership, and disposition of the Debt Securities, in such counsel's opinion, such discussion constitutes, in all material respects, a fair and accurate summary of the United States federal income tax consequences of the purchase, ownership, and disposition of the Debt Securities, based upon current law and subject to the qualifications set forth therein.

(v) The Registration Statement (excluding the documents incorporated, or deemed to be incorporated, by reference therein), at the time the Registration Statement became effective, and the Prospectus (excluding the documents incorporated, or deemed to be incorporated, by reference therein), as of the date of this Agreement and at the Closing Date, each appeared on its face to be appropriately responsive in all material respects to the requirements of the Securities Act and the rules and regulations of the Commission thereunder and the Trust Indenture Act, except that in each case such counsel need not express an opinion as to (i) the documents incorporated, or deemed to be incorporated, by reference in the Registration Statement or the Prospectus, (ii) the financial statements, schedules and other financial data included or incorporated by reference in, or excluded from, the Registration Statement or the Prospectus or (ii) the Form T-1.

In addition, such counsel shall state that they have participated in conferences with officers and other representatives of the Company, counsel employed by the Company, representatives of the independent accountants of the Company, representatives of the Underwriters and counsel for the Underwriters, at which the contents of the Registration Statement and Prospectus and related matters were discussed and, although such counsel is not passing upon, and does not assume any responsibility for, the accuracy, completeness or fairness of the statements contained in the Registration Statement or the Prospectus (other than as provided in subparagraphs (iii) and (iv) above) and have made no independent check or verification thereof, on the basis of the foregoing, no facts have come to such counsel's attention that have led them to believe that the Registration Statement (excluding the documents incorporated, or deemed to be incorporated, by reference therein), at the time the Company filed its Annual Report on Form 10-K for the fiscal year ended December 27, 1997, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or that the Prospectus (excluding the documents incorporated, or deemed to be incorporated, by

reference therein), as of the date of this Agreement and at the Closing Date, contained or contains an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, except that such counsel need express no opinion or belief with respect to (i) the documents incorporated, or deemed to be incorporated, by reference in the Registration Statement or the Prospectus, (ii) the financial statements, schedules and other financial data included or incorporated by reference in, or excluded from, the Registration Statement or the Prospectus or (iii) the exhibits to the Registration Statement, including the Form T-1.

(d) **OPINION OF UNDERWRITERS' COUNSEL.** On the applicable Closing Date, the Underwriters shall have received an opinion from counsel to the Underwriters, dated as of the applicable Closing Date, and in form and substance satisfactory to the Underwriters.

(e) **OFFICER'S CERTIFICATE.** On the applicable Closing Date, the Underwriters shall have received a certificate signed by an officer of the Company, dated the Closing Date, to the effect that (i) the representations and warranties of the Company contained in Section 1 hereof are true and correct (or, with respect to the representations and warranties contained in Section 1 that are not qualified as to materiality, true and correct in all material respects) with the same force and effect as though expressly made at and as of the date of such certificate and (ii) the Company has complied with all agreements and satisfied all conditions required by this Agreement or the Indenture on its part to be performed or satisfied at or prior to the date of such certificate.

(f) **COMFORT LETTER.** On the date hereof, the Underwriters shall have received a letter (an "Auditor's Letter") from KPMG Peat Marwick LLP ("KPMG"), or such other independent certified public accountants as may be selected by the Company (KPMG or such other independent certified public accountants that have certified the financial statements covered by any applicable Auditor's Letter each, successively, the "Company's Auditors"), dated as of the date hereof and in form and substance reasonably satisfactory to the Underwriters, containing statements and information of a type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information (including, without limitation, any pro forma financial statements and pro forma financial information) contained or incorporated by reference in the Registration Statement and the Prospectus; and, if financial statements for any assets, business or entity acquired by the Company are included or incorporated by reference in the Registration Statement or the

Prospectus, the Underwriters shall have received a similar "comfort letter" from the Company's Auditors, dated as of the date hereof, and in form and substance reasonably satisfactory to the Underwriters, with respect to such financial statements and any financial information with respect to such assets, business or entity, as the case may be, contained or incorporated by reference in the Registration Statement and the Prospectus. Without limitation to the foregoing, the letter delivered by the Company's Auditors shall state that nothing has come to their attention that caused them to believe that at a specified date not more than five days prior to the date of such letter, there was any change in the outstanding capital stock of the Company or any increase in consolidated long-term debt of the Company or any decrease in the stockholders' equity of the Company, in each case as compared with the amounts shown on the most recent consolidated balance sheet of the Company incorporated by reference in the Registration Statement and Prospectus or, during the period from the date of such balance sheet to a specified date not more than five days prior to the date of such letter, there were any decreases, as compared with the corresponding period in the preceding year, in consolidated net sales and operating revenues or net income of the Company, except in each such case as set forth in or contemplated by the Registration Statement and Prospectus or except for such exceptions enumerated in such letter as shall have been agreed to by the Underwriters and the Company.

(g) **SUBSEQUENT DELIVERY OF COMFORT LETTER.** On the applicable Closing Date, the Underwriters shall have received from each firm of independent public accountants which delivered a letter pursuant to subsection (f) of this Section, dated as of the applicable Closing Date, to the effect that they reaffirm the statements made in the letter furnished pursuant to subsection (f) of this Section, except that the specified date referred to shall be a date not more than five days prior to the applicable Closing Date.

(h) **OTHER DOCUMENTS.** On the applicable Closing Date, counsel to the Underwriters shall have been furnished with such documents and opinions as such counsel may reasonably require for the purpose of enabling such counsel to pass upon the issuance and sale of Debt Securities as herein contemplated and related proceedings, or in order to evidence the accuracy and completeness of any of the representations and warranties or the fulfillment of any of the conditions herein contained.

6. COVENANTS OF THE COMPANY. In further consideration of the agreements of the Underwriters contained herein, the Company covenants as follows:

(a) NOTICE OF CERTAIN EVENTS. The Company will promptly advise the Manager of (i) the filing and effectiveness of any amendment to the Registration Statement other than by virtue of the Company's filing any report required to be filed under the Exchange Act and the filing of any supplement to the Prospectus other than any amendment or supplement relating solely to an offering of securities other than the Debt Securities, (ii) any request by the Commission for any amendment to the Registration Statement, for any amendment or supplement to the Prospectus, or for any additional information from the Company (other than any such request relating to an offering of securities other than the Debt Securities), (iii) the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or preventing or suspending the use of any Prospectus relating to the Debt Securities or the institution or threatening of any proceeding for any such purpose, and (iv) the receipt by the Company of any notification with respect to the suspension of the qualification of the Debt Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose. The Company will use reasonable efforts to prevent the issuance of any such stop order or notice of suspension of qualification and, if issued, to obtain as soon as reasonably possible the withdrawal thereof.

(b) NOTICE OF CERTAIN PROPOSED FILINGS. During the period from the date of this Agreement to and including the last Closing Date, at or prior to the filing by the Company of any amendment to the Registration Statement or of any supplement to the Prospectus (other than any amendment or supplement relating solely to an offering of securities other than the Debt Securities), or any document the Company is required to file pursuant to

Section 13(a), 13(c), 14, or 15(d) of the Exchange Act (other than the Company's Quarterly Report on Form 10-Q for the quarter ended March 21, 1998 (the "First Quarter 10Q")), the Company will furnish the Manager and the Underwriters with copies of any such amendment or supplement or other documents in a reasonable amount of time prior to such proposed filing and will not file any such document to which the Manager shall reasonably object, unless, in the judgment of the Company or its counsel, such amendment or supplement or other document is necessary to comply with law. Subject to the foregoing sentence, the Company will promptly cause each applicable supplement to the Prospectus to be filed with or transmitted for filing with the Commission in accordance with Rule 424(b) or 424(c) under the Securities Act or pursuant to such other rule or regulation of the Commission as then deemed appropriate by the Company. The Company will furnish the Manager and the Underwriters with copies of the First Quarter 10Q prior to filing it with the Commission.

(c) COPIES OF THE REGISTRATION STATEMENT AND THE PROSPECTUS. The Company will furnish (in New York) to the Underwriters, without charge, one original

signed copy of the Registration Statement (including exhibits) and all amendments thereto that shall become effective, and as many copies of the Prospectus, any documents incorporated by reference therein, and any supplements and amendments thereto as the Underwriters may reasonably request, in each case within a reasonable period of time following the date on which this Agreement is executed and delivered by the Company and the Manager, or the date on which such document becomes effective, or the date on which such document is requested by the Underwriters, as applicable.

(d) **REVISIONS OF REGISTRATION STATEMENT AND PROSPECTUS -- MATERIAL CHANGES.** If, at any time when a prospectus relating to the Debt Securities is required to be delivered under the Securities Act by the Underwriters, any event occurs or condition exists as a result of which the Prospectus would include an untrue statement of a material fact, or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or if for any reason it is necessary to amend or supplement the Prospectus or to file under the Exchange Act any document incorporated by reference in the Prospectus in order to comply with the Securities Act, the Exchange Act or the Trust Indenture Act, or the respective rules and regulations of the Commission thereunder, or any other applicable law, the Company will promptly notify the Underwriters, by telephone or by facsimile (in either case with written confirmation from the Company by mail), and will promptly prepare and, subject to Section 6(b), cause to be filed with the Commission the appropriate documents or appropriate amendment or supplement to the Registration Statement or the Prospectus, as the case may be, and will supply without charge to the Underwriters one copy of a signed copy of any such amended Registration Statement and will supply without charge to the Underwriters as many copies of any such amended or supplemented Prospectus as the Underwriters may from time to time reasonably request.

(e) **COMPLIANCE WITH EXCHANGE ACT.** The Company, during the period when the Prospectus is required to be delivered under the Securities Act or the Exchange Act, will comply, in a timely manner, with all applicable requirements under the Exchange Act relating to the filing with the Commission of the Company's reports pursuant to Section 13(a), 13(c) or 15(d) of the Exchange Act and, if then applicable, the Company's proxy statements pursuant to Section 14(a) of the Exchange Act.

(f) **EARNINGS STATEMENT.** The Company will make generally available to its security holders earnings statements that satisfy the provisions of Section 11 (a) of the Securities Act and Rule 158 promulgated thereunder.

(g) BLUE SKY QUALIFICATIONS. The Company will, with such assistance from the Underwriters as the Company may reasonably request, endeavor to qualify the Debt Securities for offer and sale under the Blue Sky laws or other securities laws of such jurisdictions as the Underwriters shall reasonably request and will maintain such qualifications for as long as required with respect to the offer, sale, and distribution of the Debt Securities; PROVIDED, HOWEVER, that the Company shall not be obligated to register or qualify as a foreign corporation or take any action which would subject it to general service of process in any jurisdiction where it is not now subject.

(h) SUSPENSION PERIOD. During the period from the date of this Agreement to and including the last Closing Date, the Company shall not offer, sell, contract to sell or otherwise dispose of any debt securities of the Company which mature more than one year after the last Closing Date and which are substantially similar to the Debt Securities, without the prior written consent of the Manager.

7. INDEMNIFICATION AND CONTRIBUTION.

(a) The Company agrees to indemnify and hold each Underwriter and each person, if any, who controls an Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, harmless from and against any and all losses, claims, damages, or liabilities as incurred, insofar as such losses, claims, damages, or liabilities (and actions in respect thereof) arise out of, are based upon, or are caused by any untrue statement or allegedly untrue statement of a material fact contained in the Registration Statement or the Prospectus or in any amendment or supplement thereto, or arise out of, are based upon or are caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and the Company agrees to reimburse each such indemnified party for any reasonable legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability, or action as such expenses are incurred; PROVIDED, HOWEVER, that the Company will not be liable to the extent that such losses, claims, damages, or liabilities (or actions in respect thereof) arise out of, are based upon, or are caused by (i) any untrue statement or omission or alleged untrue statement or omission made in reliance upon the Form T-1, (ii) any untrue statement or omission or alleged untrue statement or omission included in or omitted from the Registration Statement or the Prospectus in reliance upon and in conformity with information furnished to the Company by or on behalf of the Underwriters in writing expressly for use in the Registration Statement or the Prospectus or any amendment or supplement thereto, or (iii) any untrue statement or omission or alleged untrue statement or omission in the preliminary prospectus if

such untrue statement or omission or alleged untrue statement or omission is corrected in the Prospectus and if, having previously been furnished by or on behalf of the Company with copies of such Prospectus, the Underwriters thereafter failed to deliver such Prospectus, prior to or concurrently with the sale of a Debt Security or Debt Securities to the person asserting such loss, claim, damage, or liability who purchased such Debt Security or Debt Securities which are subject thereof from the Underwriters.

(b) Each Underwriter severally (and not jointly) agrees to indemnify and hold harmless the Company, its directors, its officers who sign the Registration Statement, and each person, if any, who controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, to the same extent as the foregoing indemnity from the Company to the Underwriters, but only with respect to such losses, claims, damages, and liabilities (and actions in respect thereof) that arise out of, are based upon, or are caused by any untrue statement or omission or allegedly untrue statement or omission included in or omitted from the Registration Statement or the Prospectus in reliance upon and in conformity with information furnished to the Company by or on behalf of such Underwriter in writing expressly for use in the Registration Statement or the Prospectus or any amendment or supplement thereto.

(c) In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to either paragraph (a) or (b) of this Section 7, such person (the "indemnified party") will promptly notify the person against whom such indemnity may be sought (the "indemnifying party") in writing and the indemnifying party, upon request of the indemnified party, will retain counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others the indemnifying party may designate in such proceeding and will pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party will have the right to retain its own counsel, but the fees and expenses of such counsel will be borne by the indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party (whether or not the indemnifying party was an original named party to such proceeding) and the indemnified party and such indemnified party shall have been advised by counsel that there may be actual or potential conflicts of interest between the Company and the indemnified party including situations in which there may be one or more legal defenses available to the indemnified party which are different from, or additional to, those available to the Company. It is understood that the

indemnifying party will not, in connection with any proceeding or substantially similar or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all such indemnified parties and that all such reasonable fees and expenses will be reimbursed as they are incurred. Such firm will be designated in writing by the Manager (in the case of parties indemnified pursuant to the second preceding paragraph) or by the Company (in the case of parties indemnified pursuant to the first preceding paragraph), as the case may be. The indemnifying party will not be liable for any settlement of any claim, action or proceeding effected without its written consent, but if settled with such consent, or if there shall be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. No indemnifying party will, without the prior written consent of the indemnified party, effect any settlement or compromise of or consent to the entry of any judgment with respect to any pending or threatened claim, action or proceeding in respect of which any indemnified party is or could have been a party and indemnity or contribution could have been sought hereunder by such indemnified party, unless such settlement, compromise or judgment (i) includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding and (ii) does not include a statement as to, or an admission of fault, culpability or a failure to act by, the indemnified party. Any provision of this paragraph (c) to the contrary notwithstanding, no failure by an indemnified party to notify the indemnifying party as required hereunder will relieve the indemnifying party from any liability it may have had to an indemnified party otherwise than under Section 7(a) or (b).

(d) If the indemnification provided for in paragraph (a) or (b) of this Section 7 is unavailable to an indemnified party or is insufficient in respect of any losses, claims, damages, or liabilities referred to therein, then each indemnifying party under such paragraph, in lieu of indemnifying the indemnified party thereunder, will contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages, or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and the Underwriters, on the other, from the offering of Debt Securities by the Underwriters, or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company, on the one hand, and the Underwriters,

on the other, in connection with the statements or omissions that resulted in such losses, claims, damages, or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company, on the one hand, and the Underwriters, on the other, in connection with the offering of Debt Securities by the Underwriters will be deemed to be in the same proportion as the total net proceeds received by the Company from the offering of such Debt Securities bears to the total discounts and commissions received by the Underwriters from the Company in respect thereof. The relative fault of the Company, on the one hand, and of the Underwriters, on the other, will be determined by reference to, among other things, whether the untrue or allegedly untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied or to be supplied by the Company or by the Underwriters and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission.

(e) The Company and the Underwriters agree that it would not be just or equitable if contribution pursuant to paragraph (d) above were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to therein. The amount paid or payable by an indemnified party as a result of the losses, claims, damages, and liabilities referred to in paragraph (d) above will be deemed to include, subject to the limitations set forth above, any reasonable legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Any other provisions of this Section 7 to the contrary notwithstanding (i) no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the applicable Debt Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission and (ii) no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The obligations of the Underwriters of Debt Securities in this subsection (d) to contribute are several in proportion to their respective underwriting obligations with respect to such securities and not joint.

(f) The remedies provided for in this Section 7 are not exclusive and will not limit any rights or remedies that may otherwise be available to any indemnified party at law or in equity.

8. **TERMINATION.** The Underwriters may terminate this Agreement immediately upon notice to the Company if, at any time prior to the Closing Date, (i) there shall have occurred (A) any material adverse change (or development involving a prospective material adverse change) in the business, properties, earnings, or financial

condition of the Company and its subsidiaries on a consolidated basis, (B) any suspension or material limitation of trading in the Company's capital stock by the Commission or the New York Stock Exchange, Inc. (the "NYSE"), or (C) any decrease by Moody's Investors Services, Inc. or Standard & Poor's Corporation with respect to the ratings of any of the debt securities issued or guaranteed by the Company or any public announcement by any such organization to the effect that it has placed any debt securities issued or guaranteed by the Company on what is commonly termed a "watch list" with negative implications (the events described in the foregoing clauses (A) through (C) the "Company-Specific Events"), the effect of any of which Company-Specific Events shall have made it impracticable, in the reasonable judgment of the Manager, to market such Debt Securities, or (ii) there shall have occurred (A) any suspension or material limitation of trading in securities generally on the NYSE or the establishment of minimum prices on the NYSE, (B) a declaration of a general moratorium on commercial banking activities in New York by either federal or New York State authorities, or (C) any outbreak or material escalation of hostilities or other national or international calamity or crisis (the events described in the foregoing clauses (A) through (C) the "Market Events"), the effect of any of which Market Events (other than the Market Event described in Clause (B), which shall not be subject to the following qualification) shall have made it impracticable, in the reasonable judgment of the Manager, to market such Debt Securities.

9. **DEFAULTING UNDERWRITERS.** If on the Closing Date any one or more of the Underwriters shall fail or refuse to purchase Debt Securities that it has or they have agreed to purchase on such date, and the aggregate amount of Debt Securities which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase is not more than one-tenth of the aggregate amount of the Debt Securities to be purchased on such date, the other Underwriters shall be obligated severally in the proportions that the amount of Debt Securities set forth opposite their respective names above bears to the aggregate amount of Debt Securities set forth opposite the names of all such non-defaulting Underwriters, or in such other proportions as the Manager may specify, to purchase the Debt Securities which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase on such date. If on the Closing Date any Underwriter or Underwriters shall fail or refuse to purchase Debt Securities and the aggregate amount of Debt Securities with respect to which such default occurs is more than one-tenth of the aggregate amount of Debt Securities to be purchased on such date, and arrangements satisfactory to the Manager and the Company for the purchase of such Debt Securities are not made within 36 hours after such default, this Agreement shall terminate without liability on the part of any non-defaulting Underwriter or the Company. In any such case either the Manager or the Company shall have the right to

postpone the Closing Date but in no event for longer than seven days, in order that the required changes, if any, in the Registration Statement and in the Prospectus or in any other documents or arrangements may be effected. Any action taken under this paragraph shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

10. **SURVIVABILITY.** The respective indemnities, agreements, representations, warranties and other statements of the Company and the several Underwriters, as set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Underwriter or any controlling person of any Underwriter, or the Company, or any officer or director or controlling person of the Company, and shall survive delivery of and payment for the Debt Securities.

11. **CERTAIN OBLIGATIONS.** If this Agreement shall be terminated pursuant to Section 8 hereof, the Company shall not then be under any liability to any Underwriter with respect to the Debt Securities except as provided in Sections 4 and 7 hereof; but, if for any other reason (other than a default by the Underwriters under Section 9 hereof) Debt Securities are not delivered by or on behalf of the Company as provided herein, the Company will reimburse the Underwriters through the Manager for all out-of-pocket expenses approved in writing by the Manager, including fees and disbursements of counsel, reasonably incurred by the Underwriters in making preparations for the purchase, sale and delivery of such Debt Securities, but the Company shall then be under no further liability to any Underwriter with respect to such Debt Securities except as provided in Sections 4 and 7 hereof.

12. **NOTICES.** In all dealings hereunder, the Manager shall act on behalf of each of the Underwriters of Debt Securities, and the parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by the Manager.

Except as otherwise specifically provided herein, all communications hereunder will be in writing and shall be deemed to have been duly given if delivered by hand, mailed via Express Mail, deposited with Federal Express or any nationally recognized commercial courier service for "next day" delivery, or telecopied and confirmed in writing (by telecopied facsimile or otherwise) to the respective addresses or telecopier numbers set forth on the signature page hereto, or to such other address or telecopier number as either party may hereafter designate to the other in writing;

provided, however, that any notice to an Underwriter pursuant to Section 7(c) hereof shall be delivered in a manner provided above to such Underwriter at its address set forth in its Underwriters' Questionnaire, or telex constituting such Questionnaire, which address will be supplied to the Company by the Manager upon request. Any such statements, requests, notices or agreements shall take effect upon receipt thereof.

13. **SUCCESSORS; NON-TRANSFERABILITY.** This Agreement will inure to the benefit of and be binding upon the parties hereto, their respective successors, and the officers, directors, and controlling persons referred to in Section 7 hereof. No other person will have any right or obligation hereunder. Neither party to this Agreement may assign its rights hereunder without the written consent of the other parties.

14. **REPRESENTATIONS, WARRANTIES AND AGREEMENTS TO SURVIVE DELIVERY.** All representations, warranties and agreements contained in this Agreement or in certificates of officers of the Company submitted pursuant hereto will survive delivery of and payment for the Debt Securities and will survive termination of this Agreement in accordance with the provisions of Section 9 hereof.

15. **COUNTERPARTS.** This Agreement may be signed in any number of counterparts, each of which will be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

16. **TIME OF THE ESSENCE.** Time shall be of the essence with respect to this Agreement. As used herein, "business day" shall mean any day when the Commission's office in Washington, D.C. is open for business.

17. **APPLICABLE LAW.** This Agreement will be governed by and construed in accordance with the laws of the State of New York, including without limitation, New York General Obligations Law Section 5-1401.

18. **HEADINGS.** The headings of the sections of this Agreement have been inserted for convenience of reference only and will not affect the construction of any of the terms or provisions hereof.

TRICON GLOBAL RESTAURANTS, INC.

SENIOR DEBT SECURITIES

INDENTURE

DATED AS OF MAY 1, 1998

**THE FIRST NATIONAL BANK OF CHICAGO,
AS TRUSTEE**

CROSS REFERENCE TABLE (1)

TIA SECTION -----	INDENTURE SECTION -----
310 (a) (1)	.7.8; 7.10
(a) (2)	7.10
(a) (3)	N.A.
(a) (4)	N.A.
(a) (5)	7.10
(b)	.7.8; 7.10
(c)	N.A.
311 (a)	7.11
(b)	7.11
(c)	N.A.
312 (a)	.2.7
(b)	12.3
(c)	12.3
313 (a)	7.6
(b)	.7.6
(c)	.7.6; 12.2
(d)	.7.6
314 (a)	.4.2; 12.2
(b)	N.A.
(c) (1)	12.4
(c) (2)	12.4
(c) (3)	N.A.
(d)	N.A.
(e)	12.5
(f)	4.3
315 (a)	7.1
(b)	7.5; 12.2
315 (c)	.7.1
(d)	.7.1
(e)	6.11
316 (a) (1) (A)	.6.5
(a) (1) (B)	.6.4
(a) (2)	N.A.
(b)	.6.7

(1) Note: This Cross Reference Table shall not, for any purpose, be deemed to be part of the Indenture.

TIA SECTION -----	INDENTURE SECTION -----
(c)	N.A.
317 (a) (1)6.8
(a) (2)6.9
(b)2.6
318 (a)	12.1

ARTICLE I

DEFINITIONS AND INCORPORATION BY REFERENCE

SECTION 1.1	DEFINITIONS.	1
SECTION 1.2	OTHER DEFINITIONS.	7
SECTION 1.3	INCORPORATION BY REFERENCE OF TRUST INDENTURE ACT.	8
SECTION 1.4	RULES OF CONSTRUCTION.	8

ARTICLE II

THE SECURITIES

SECTION 2.1	FORMS GENERALLY.	9
SECTION 2.2	SECURITIES IN GLOBAL FORM.	9
SECTION 2.3	TITLE, TERMS AND DENOMINATIONS.	11
SECTION 2.4	EXECUTION, AUTHENTICATION, DELIVERY AND DATING	14
SECTION 2.5	REGISTRAR AND PAYING AGENT.	18
SECTION 2.6	PAYING AGENT TO HOLD MONEY AND SECURITIES IN TRUST.	18
SECTION 2.7	SECURITYHOLDER LISTS.	18
SECTION 2.8	TRANSFER AND EXCHANGE.	19
SECTION 2.9	REPLACEMENT SECURITIES AND COUPONS.	22
SECTION 2.10	OUTSTANDING SECURITIES; DETERMINATIONS OF HOLDERS' ACTION.	23
SECTION 2.11	TEMPORARY SECURITIES.	24
SECTION 2.12	CANCELLATION.	26
SECTION 2.13	PAYMENT OF INTEREST; INTEREST RIGHTS PRESERVED.	27
SECTION 2.14	PERSONS DEEMED OWNERS.	28
SECTION 2.15	COMPUTATION OF INTEREST	29

ARTICLE III

REDEMPTION

SECTION 3.1	RIGHT TO REDEEM; NOTICES TO TRUSTEE.	29
SECTION 3.2	SELECTION OF SECURITIES TO BE REDEEMED.	29
SECTION 3.3	NOTICE OF REDEMPTION.	30
SECTION 3.4	EFFECT OF NOTICE OF REDEMPTION.	31
SECTION 3.5	DEPOSIT OF REDEMPTION PRICE.	31
SECTION 3.6	SECURITIES REDEEMED IN PART.	32

ARTICLE IV

COVENANTS

SECTION 4.1 PAYMENT OF SECURITIES. 32
SECTION 4.2 SEC REPORTS. 32
SECTION 4.3 COMPLIANCE CERTIFICATE. 33
SECTION 4.4 FURTHER INSTRUMENTS AND ACTS. 33
SECTION 4.5 MAINTENANCE OF OFFICE OR AGENCY. 33
SECTION 4.6 ADDITIONAL AMOUNTS. 34
SECTION 4.7 LIMITATION ON LIENS. 35
SECTION 4.8 LIMITATION ON SALE AND LEASEBACK TRANSACTIONS. 36

ARTICLE V

SUCCESSOR CORPORATION

SECTION 5.1 WHEN COMPANY MAY MERGE OR TRANSFER ASSETS. 36

ARTICLE VI

DEFAULTS AND REMEDIES

SECTION 6.1 EVENTS OF DEFAULT. 37
SECTION 6.2 ACCELERATION; RESCISSION. 39
SECTION 6.3 OTHER REMEDIES. 40
SECTION 6.4 WAIVER OF PAST DEFAULTS. 40
SECTION 6.5 CONTROL BY MAJORITY. 40
SECTION 6.6 LIMITATION ON SUITS. 40
SECTION 6.7 RIGHTS OF HOLDERS TO RECEIVE PAYMENT. 41
SECTION 6.8 COLLECTION SUIT BY TRUSTEE. 41
SECTION 6.9 TRUSTEE MAY FILE PROOFS OF CLAIM. 41
SECTION 6.10 PRIORITIES. 42
SECTION 6.11 UNDERTAKING FOR COSTS. 43
SECTION 6.12 WAIVER OF STAY, EXTENSION OR USURY LAWS 43

ARTICLE VII

TRUSTEE

SECTION 7.1 DUTIES OF TRUSTEE. 43
SECTION 7.2 RIGHTS OF TRUSTEE. 44
SECTION 7.3 INDIVIDUAL RIGHTS OF TRUSTEE, ETC. 46

SECTION 7.4	TRUSTEE'S DISCLAIMER..	46
SECTION 7.5	NOTICE OF DEFAULTS..	46
SECTION 7.6	REPORTS BY TRUSTEE TO HOLDERS..	46
SECTION 7.7	COMPENSATION AND INDEMNITY..	46
SECTION 7.8	REPLACEMENT OF TRUSTEE..	47
SECTION 7.9	SUCCESSOR TRUSTEE BY MERGER..	49
SECTION 7.10	ELIGIBILITY; DISQUALIFICATION..	49
SECTION 7.11	PREFERENTIAL COLLECTION OF CLAIMS AGAINST COMPANY..	49

ARTICLE VIII

SATISFACTION AND DISCHARGE

SECTION 8.1	DISCHARGE OF LIABILITY ON SECURITIES..	50
SECTION 8.2	REPAYMENT TO THE COMPANY..	50
SECTION 8.3	OPTION TO EFFECT DEFEASANCE OR COVENANT DEFEASANCE	50
SECTION 8.4	DEFEASANCE AND DISCHARGE	51
SECTION 8.5	COVENANT DEFEASANCE.	51
SECTION 8.6	CONDITIONS TO DEFEASANCE OR COVENANT DEFEASANCE.	52

ARTICLE IX

SUPPLEMENTAL INDENTURES

SECTION 9.1	SUPPLEMENTAL INDENTURES WITHOUT CONSENT OF HOLDERS..	52
SECTION 9.2	SUPPLEMENTAL INDENTURES WITH CONSENT OF HOLDERS.	53
SECTION 9.3	COMPLIANCE WITH TRUST INDENTURE ACT.	54
SECTION 9.4	REVOCATION AND EFFECT OF CONSENTS, WAIVERS AND ACTIONS..	55
SECTION 9.5	NOTATION ON OR EXCHANGE OF SECURITIES.	55
SECTION 9.6	TRUSTEE TO SIGN SUPPLEMENTAL INDENTURES.	55
SECTION 9.7	EFFECT OF SUPPLEMENTAL INDENTURES.	55

ARTICLE X

SINKING FUNDS

SECTION 10.1	APPLICABILITY OF ARTICLE.	56
SECTION 10.2	SATISFACTION OF SINKING FUND PAYMENTS WITH SECURITIES..	56
SECTION 10.3	REDEMPTION OF SECURITIES FOR SINKING FUND..	56

ARTICLE XI

ACTIONS OF HOLDERS OF SECURITIES

SECTION 11.1 PURPOSES FOR WHICH MEETINGS MAY BE CALLED. 57
SECTION 11.2 CALL, NOTICE AND PLACE OF MEETINGS. 57
SECTION 11.3 PERSONS ENTITLED TO VOTE AT MEETINGS. 57
SECTION 11.4 QUORUM; ACTION. 58
SECTION 11.5 DETERMINATION OF VOTING RIGHTS; CONDUCT AND
ADJOURNMENT OF MEETINGS. 58
SECTION 11.6 COUNTING VOTES AND RECORDING ACTION OF MEETINGS. 59
SECTION 11.7 ACTIONS OF HOLDERS GENERALLY. 60

ARTICLE XII

MISCELLANEOUS

SECTION 12.1 TRUST INDENTURE ACT CONTROLS. 61
SECTION 12.2 NOTICES. 61
SECTION 12.3 COMMUNICATION BY HOLDERS WITH OTHER HOLDERS. 63
SECTION 12.4 (Intentionally Omitted). 63
SECTION 12.5 STATEMENTS REQUIRED IN CERTIFICATE OR OPINION. 63
SECTION 12.6 SEPARABILITY CLAUSE. 64
SECTION 12.7 RULES BY TRUSTEE, PAYING AGENT AND REGISTRAR. 64
SECTION 12.8 LEGAL HOLIDAYS. 64
SECTION 12.9 GOVERNING LAW AND JURISDICTION. 64
SECTION 12.10 NO RECOURSE AGAINST OTHERS. 65
SECTION 12.11 SUCCESSORS. 65
SECTION 12.12 EFFECT OF HEADINGS AND TABLE OF CONTENTS. 65
SECTION 12.13 BENEFITS OF INDENTURE. 65
SECTION 12.14 MULTIPLE ORIGINALS. 65

EXHIBIT A

CERTIFICATE. 67

INDENTURE, dated as of May 1, 1998, by and between Tricon Global Restaurants, Inc., a North Carolina corporation ("COMPANY"), and The First National Bank of Chicago, as trustee ("TRUSTEE").

RECITALS OF THE COMPANY

The Company has duly authorized the execution and delivery of this Indenture to provide for the issuance from time to time of its unsecured debentures, notes or other evidences of indebtedness (herein called the "SECURITIES") to be issued in one or more series as in this Indenture provided.

For and in consideration of the premises and the purchase of the Securities by the Holders thereof, it is mutually covenanted and agreed, for the equal and ratable benefit of the Holders of the Securities or each series thereof as follows:

ARTICLE I

DEFINITIONS AND INCORPORATION BY REFERENCE

SECTION 1.1 DEFINITIONS.

"AFFILIATE" of any specified person means any other person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person. For the purposes of this definition, "CONTROL" when used with respect to any specified person means the power to direct or cause the direction of the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "CONTROLLING" and "CONTROLLED" have meanings correlative to the foregoing.

"AUTHORIZED NEWSPAPER" means a newspaper, in the English language or, at the option of the Company, in an official language of the country of publication, customarily published on each Business Day (with respect to Bearer Securities, set forth in the Officers' Certificate with respect to a series of Bearer Securities), whether or not published on Saturdays, Sundays or holidays, and of general circulation in the place in connection with which the term is used or in the financial community of such place. Where successive publications are required to be made in Authorized Newspapers, the successive publications may be made in the same or in different Authorized Newspapers meeting the foregoing requirements and in each case on any Business Day.

"BEARER SECURITY" means any Security in the form (to the extent applicable thereto) established pursuant to Section 2.1 which is payable to the bearer.

"BOARD OF DIRECTORS" means the board of directors of the Company or any committee of such board authorized with respect to any matter to exercise the powers of the Board of Directors of the Company.

"BOARD RESOLUTION" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"BUSINESS DAY" means, except as otherwise specified as contemplated by Section 2.3(a), with respect to any Place of Payment or any other particular location referred to in this Indenture or in the Securities, each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in that Place of Payment or other location are authorized or obligated by law or executive order to close.

"CAPITAL STOCK" for any corporation means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) stock issued by that corporation.

"CASH" means such coin or currency of the United States as at any time of payment is legal tender for the payment of public and private debts.

"CEDEL S.A." means Centrale de Livraison de Valeurs Mobilieres SA.

"COMPANY" means the party named as the "COMPANY" in the first paragraph of this Indenture until a successor replaces it pursuant to the applicable provisions of this Indenture and, thereafter, shall mean such successor.

"COMPANY REQUEST" or "COMPANY ORDER" means a written request or order signed in the name of the Company by its Chairman of the Board, a Vice Chairman, its Chief Executive Officer, its President or a Vice President, and by its Treasurer, an Assistant Treasurer, its Secretary or an Assistant Secretary, and delivered to the Trustee or, with respect to Sections 2.4, 2.8, 2.11 and 7.2, any other employee of the Company named in an Officers' Certificate delivered to the Trustee.

"CONSOLIDATED NET TANGIBLE ASSETS" means, with respect to the Company, the total amount of assets (less applicable valuation allowances) after deducting (a) all current liabilities (excluding the amount of liabilities which are by their terms extendable or renewable at the option of the obligor to a date more than 12 months after the date as of which the amount is being determined) and (b) all goodwill, tradenames, trademarks, patents, unamortized debt discount and expense and other like intangible assets, all as set forth on the most recent balance sheet of the Company and its consolidated Subsidiaries and determined on a consolidated basis in accordance with generally accepted accounting principles.

"COUPON" means any interest coupon appertaining to a Bearer Security.

"DEBT" means (i) all obligations represented by notes, bonds, debentures or similar evidences of indebtedness; (ii) all indebtedness for borrowed money or for the deferred purchase price of property or services other than, in the case of any such deferred purchase price, on normal trade terms; and (iii) all rental obligations as lessee under leases which shall have been or should be, in accordance with generally accepted accounting principles, recorded as capital leases.

"DEFAULT" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"DEPOSITARY" means, with respect to the Securities of any series issuable or issued in whole or in part in global form, the person specified as contemplated by Section 2.3(a) as the Depositary with respect to such series of Securities, until a successor shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "DEPOSITARY" shall mean or include such successor.

"DISCOUNT SECURITY" means any Security which provides for an amount less than the Principal Amount thereof to be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 6.2.

"DOLLAR" or "\$" means a dollar or other equivalent unit in such coin or currency of the United States as at the time shall be legal tender for the payment of public and private debts.

"EURO-CLEAR" means the operator of the Euro-clear System.

"EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended.

"FUNDED DEBT" means Debt of the Company or a Subsidiary owning Restricted Property maturing by its terms one year or more after its creation, Debt directly or indirectly renewable or extendible, at the option of the obligor, by its terms or by the terms of any instrument or agreement relating thereto, to a date one year or more from the date of its creation, Debt under a revolving credit or similar agreement obligating the lender or lenders to extend credit over a period of one year or more and Debt classified as long-term debt under generally accepted accounting principles and, in the case of Funded Debt of the Company, ranking at least PARI PASSU with the Securities.

"HOLDER" or "SECURITYHOLDER," when used with respect to any Security, means, in the case of a Registered Security, a person in whose name a Security is registered on the

Registrar's books and, in the case of a Bearer Security, the bearer thereof and, when used with respect to any coupon, means the bearer thereof.

"INDENTURE" means this Indenture, as amended or supplemented from time to time in accordance with the terms hereof and shall include the terms of a particular series of Securities established as contemplated in Section 2.3(a).

"INTEREST," when used with respect to a Discount Security which by its terms bears interest only after Maturity, means interest payable after Maturity.

"INTEREST PAYMENT DATE," when used with respect to any Security, means the Stated Maturity of an installment of interest on such Security.

"LIEN" means any mortgage, pledge, lien, encumbrance, charge or security interest.

"MATURITY," when used with respect to any Security, means the date on which the Principal of such Security or an installment of Principal or, in the case of a Discount Security, the Principal Amount payable upon a declaration of acceleration pursuant to Section 6.2, becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration, call for redemption or otherwise.

"OFFICER" means the Chairman of the Board, any Vice Chairman, the Chief Executive Officer, the President, any Vice President, the Treasurer, the Secretary, any Assistant Treasurer or any Assistant Secretary of the Company.

"OFFICERS' CERTIFICATE" means a written certificate containing the information specified in Sections 12.4 and 12.5, signed in the name of the Company by its Chairman of the Board, a Vice Chairman, its Chief Executive Officer, its President or a Vice President, and by its Treasurer, an Assistant Treasurer, its Secretary or an Assistant Secretary, and delivered to the Trustee.

"OPINION OF COUNSEL" means a written opinion containing the information specified in Sections 12.4 and 12.5, from legal counsel who is acceptable to the Trustee. The counsel may be an employee of, or counsel to, the Company or the Trustee.

"PERIODIC OFFERING" means an offering of Securities of a series from time to time the specific terms of which Securities, including, without limitation, the rate or rates of interest, if any, thereon, the Stated Maturity or Maturities thereof, the original issue date or dates thereof, the redemption provisions, if any, and any other terms specified as contemplated by Section 2.3(a) with respect thereto, are to be determined by the Company, or one or more of the Company's agents designated in an Officers' Certificate, upon the issuance of such Securities.

"PERSON" means any individual, corporation, partnership, joint venture, association, joint-stock company, limited liability company, trust, unincorporated organization, or government or any agency or political subdivision thereof.

"PLACE OF PAYMENT," when used with respect to the Securities of any series, means the place or places where, subject to the provisions of Section 4.5, the Principal of and any interest on the Securities of that series are payable as specified as contemplated by Section 2.3(a).

"PREDECESSOR SECURITY" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 2.9 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security or a Security to which a mutilated, destroyed, lost or stolen coupon appertains shall be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Security or the Security to which the mutilated, destroyed, lost or stolen coupon appertains, as the case may be.

"PRINCIPAL" or "PRINCIPAL AMOUNT" of a Security, except as otherwise specifically provided in this Indenture, means the outstanding principal of the Security plus the premium, if any, of the Security.

"REDEMPTION DATE" or "REDEMPTION DATE," when used with respect to any Security to be redeemed, shall mean the date specified for redemption of such Security in accordance with the terms of such Security and this Indenture.

"REDEMPTION PRICE" or "REDEMPTION PRICE," when used with respect to any Security to be redeemed, means the price at which it is to be redeemed pursuant to this Indenture.

"REGISTERED SECURITY" means any Security in the form (to the extent applicable thereto) established pursuant to Section 2.1 which is registered on the books of the Registrar.

"REGULAR RECORD DATE" for the interest payable on any Interest Payment Date on the Registered Securities of any series means the date specified for that purpose as contemplated by Section 2.3(a).

"RESTRICTED PROPERTY" means (a) any individual facility or property, or portion thereof, owned or leased by the Company or any Subsidiary and located within the continental United States of America which, in the opinion of the Board of Directors, is of material importance to the business of the Company and its Subsidiaries taken as a whole, but no such individual facility, property or portion thereof shall be deemed of material importance if its gross book value (before deducting accumulated depreciation) is less than 3% of Consolidated Net Tangible Assets, and (b) any shares of capital stock or indebtedness of any Subsidiary owning any such facility.

"SALE AND LEASEBACK TRANSACTION" means any arrangement with any person pursuant to which the Company or any Subsidiary leases any Restricted Property that has been or is to be sold or transferred by the Company or the Subsidiary to such person, other than (a) leases for a term, including renewals at the option of the lessee, of not more than three years, (b) leases between the Company and a Subsidiary or between Subsidiaries, (c) leases of Restricted Property executed by the time of, or within 12 months after the latest of, the acquisition, the completion of construction or improvement, or the commencement of commercial operation, of such Restricted Property, and (d) arrangements pursuant to any provision of law with an effect similar to that under former Section 168(f)(8) of the Internal Revenue Code of 1954.

"SEC" means the Securities and Exchange Commission.

"SECURITIES" has the meaning stated in the first recital of this Indenture and more particularly means any Securities authenticated and delivered under this Indenture.

"SECURITYHOLDER" or "HOLDER," when used with respect to any Security, means in the case of a Registered Security, a person in whose name a Security is registered on the Registrar's books and in the case of a Bearer Security the bearer thereof and, when used with respect to any coupon, means the bearer thereof.

"SPECIAL RECORD DATE" for the payment of any Defaulted Interest on the Registered Securities of any issue means a date fixed by the Trustee pursuant to Section 2.13.

"STATED MATURITY," when used with respect to any Security or any installment of Principal thereof or interest thereon, means the date specified in such Security or a coupon representing such installment of interest as the fixed date on which an amount equal to the Principal of such Security or an installment of Principal thereof or interest thereon is due and payable.

"SUBSIDIARY" means, with respect to any person, a corporation of which a majority of the Capital Stock having voting power under ordinary circumstances to elect a majority of the board of directors of such corporation is owned by (i) such person, (ii) such person and one or more Subsidiaries or (iii) one or more Subsidiaries of such person.

"TIA" means the Trust Indenture Act of 1939 as in effect on the date of this Indenture, except as provided in Section 9.3.

"TRUST OFFICER" means, when used with respect to the Trustee, any Senior Trust Officer, any Vice President, any Trust Officer, any Assistant Vice President or any other officer or assistant officer of the Trustee customarily performing functions similar to those performed by the persons who at the time shall be such officers respectively, or to whom any

corporate trust matter is referred because of his or her knowledge of and familiarity with the particular subject.

"TRUSTEE" means the party named as the "TRUSTEE" in the first paragraph of this Indenture until a successor replaces it pursuant to the applicable provisions of this Indenture and, thereafter, shall mean such successor.

"UNITED STATES" means the United States of America, its territories, its possessions (including the Commonwealth of Puerto Rico), and other areas subject to its jurisdiction.

"UNITED STATES ALIEN" means any person who, for United States Federal income tax purposes, is a foreign corporation, a non-resident alien individual, a non-resident alien fiduciary of a foreign estate or trust, or a foreign partnership one or more of the members of which is, for United States Federal income tax purposes, a foreign corporation, a non-resident alien individual or a non-resident alien fiduciary of a foreign estate or trust.

"VALUE" means, with respect to a Sale and Leaseback Transaction, an amount equal to the present value of the lease payments (after deducting the amount of rent to be received under noncancellable subleases) with respect to the term of the lease remaining on the date as of which the amount is being determined, without regard to any renewal or extension options contained in the lease, discounted at the weighted average interest rate on the Securities of all series (including the effective interest rate on any Original Issue Discount (as that term is defined in the Internal Revenue Code of 1986, as amended) Securities) which are outstanding on the effective date of such Sale and Leaseback Transaction and which have the benefit of the covenant limiting Sale and Leaseback Transactions. "Lease payments" shall be the aggregate amount of the rent payable by the lessee with respect to the applicable period, after excluding amounts required to be paid on account of maintenance and repairs, insurance, taxes, water rates and similar charges. If and to the extent the amount of any lease payment during any future period is not definitely determinable under the lease in question, the amount of such lease payment shall be estimated in such reasonable manner as the Board of Directors of the Company may in good faith determine.

SECTION 1.2 OTHER DEFINITIONS.

Term	Defined in
----	Section
-----	-----
"BANKRUPTCY LAW"	6.1
"COMMON DEPOSITARY"	2.2
"CUSTODIAN"	6.1
"DEFAULTED INTEREST"	2.13
"EVENT OF DEFAULT"	6.1
"EXCHANGE DATE"	2.2

"LEGAL HOLIDAY"	12.8
"NOTICE OF DEFAULT "	6.1
"OUTSTANDING"	2.10
"PAYING AGENT"	2.5
"PERMANENT GLOBAL BEARER SECURITY"	2.2
"REGISTRAR"	2.5
"TEMPORARY GLOBAL BEARER SECURITY"	2.2

SECTION 1.3 INCORPORATION BY REFERENCE OF TRUST INDENTURE ACT. Whenever this Indenture refers to a provision of the TIA, the provision is incorporated by reference in and made a part of this Indenture. The following TIA terms used in this Indenture have the following meanings:

"COMMISSION" means the SEC.

"INDENTURE SECURITIES" means the Securities.

"INDENTURE SECURITY HOLDER" means a Holder or Securityholder.

"INDENTURE TO BE QUALIFIED" means this Indenture.

"INDENTURE TRUSTEE" or "INSTITUTIONAL TRUSTEE" means the Trustee.

"OBLIGOR" on the indenture securities means the Company.

All other TIA terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rule have the meanings assigned to them by such definitions.

SECTION 1.4 RULES OF CONSTRUCTION. Unless the context otherwise requires:

- (1) a term has the meaning assigned to it;
- (2) an accounting term not otherwise defined has the meaning assigned to it in accordance with generally accepted accounting principles in the United States as in effect from time to time;
- (3) "OR" is not exclusive;
- (4) "INCLUDING" means including, without limitation; and
- (5) words in the singular include the plural, and words in the plural include the singular.

ARTICLE II

THE SECURITIES

SECTION 2.1 FORMS GENERALLY. The Registered Securities, if any, of each series and the Bearer Securities, if any, of each series and related coupons shall be in substantially such form (including global form) as shall be established by delivery to the Trustee of an Officers' Certificate or in one or more indentures supplemental hereto, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the Officers executing such Securities or coupons as evidenced by their execution of the Securities or coupons. The Officers' Certificate so establishing the form of Security or coupons, if any, of any series shall be delivered to the Trustee at or prior to the delivery of the Company Order contemplated by Section 2.4 for the authentication and delivery of such Securities or coupons.

Unless otherwise specified as contemplated by Section 2.3(a), Bearer Securities shall have interest coupons attached.

The permanent Securities and coupons, if any, shall be printed, lithographed, engraved or word processed or produced by any combination of these methods or may be produced in any other manner, PROVIDED, that such method is permitted by the rules of any securities exchange on which such Securities may be listed, all as determined by the Officers executing such Securities as evidenced by their execution of such Securities.

SECTION 2.2 SECURITIES IN GLOBAL FORM. If Securities of a series are issuable in temporary or permanent global form, as specified as contemplated by Section 2.3(a), then, notwithstanding clause (8) of Section 2.3(a) and the provisions of Section 2.3(b), any such Security shall represent such of the Outstanding Securities of such series as shall be specified therein and may provide that it shall represent the aggregate amount of Outstanding Securities from time to time endorsed thereon or otherwise notated on the books and records of the Registrar and that the aggregate amount of Outstanding Securities represented thereby may from time to time be reduced to reflect exchanges. Any endorsement of a Security in global form to reflect the amount of any increase or decrease in the amount of Outstanding Securities represented thereby shall be made by the Trustee in such manner and upon instructions given by such person or persons as shall be specified therein or in the Company Order to be delivered to the Trustee pursuant to Section 2.4 or 2.11. Subject to the provisions of Section 2.4 and, if applicable, Section 2.11, the Trustee shall deliver and redeliver any Security in global form in the manner and upon instructions given by the person or persons specified therein or in the applicable Company Order. If a Company Order pursuant to Section 2.4 or 2.11 has been, or simultaneously is, delivered, any instructions by the Company with respect to endorsement or other notation on the books and records of the Registrar or delivery or redelivery

of a Security of such series in global form shall be in writing but need not comply with Section 12.4 or 12.5 and need not be accompanied by an Opinion of Counsel (except as required by Section 2.4).

The provisions of the last sentence of Section 2.4 shall apply to any Security represented by a Security in global form if such Security was never issued and sold by the Company, and the Company delivers to the Trustee the Security in global form together with written instructions (which need not comply with Section 12.4 or 12.5 and need not be accompanied by an Opinion of Counsel) with regard to the reduction in the Principal Amount of Securities represented thereby, together with the written statement contemplated by the last sentence of Section 2.4.

Notwithstanding the provisions of Sections 2.1 and 2.13, unless otherwise specified as contemplated by Section 2.3(a), payment of Principal of and any interest on any Security in global form shall be made to the person or persons specified therein.

Any series of Bearer Securities shall be issued initially in the form of one temporary global Bearer Security (the "Temporary Global Bearer Security"), which Temporary Global Bearer Security shall be deposited on behalf of the beneficial owners of the Bearer Securities represented thereby with The First National Bank of Chicago, London Branch, as common depositary (the "Common Depositary"), for credit to their respective accounts (or to such other accounts as they may direct) at Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euro-clear or Cedel S.A.

On or before the date 40 days after the later of the announcement of the offering of such Bearer Securities and the date of settlement (the "Exchange Date"), the Company shall deliver to a Paying Agent located outside the United States, or its designated agent, Bearer Securities executed by the Company. On or after the Exchange Date, the Temporary Global Bearer Security shall be surrendered by the Common Depositary to the Trustee or its agent, as the Company's agent for such purpose, to be exchanged, in whole or from time to time in part, at the sole discretion of the Company for (i) Bearer Securities or (ii) a permanent global Bearer Security (the "Permanent Global Bearer Security") without charge to Holders, and the principal Paying Agent or other Paying Agent outside the United States shall authenticate and deliver (at an office or agency outside the United States), in exchange for the Temporary Global Bearer Security or the portions thereof to be exchanged, an equal aggregate principal amount of Bearer Securities or the Permanent Global Bearer Security, as shall be specified by the beneficial owners thereof; PROVIDED, HOWEVER, that upon such presentation by the Common Depositary, the Temporary Global Bearer Security is accompanied by a certificate dated the Exchange Date or a subsequent date and signed by Euro-clear as to the portion of the Temporary Global Bearer Security held for its account then to be exchanged and a certificate dated the Exchange Date or a subsequent date and signed by Cedel S.A. as to the portion of the Temporary Global Bearer Security held for its account then to be exchanged, each to the effect hereinafter provided. The Company and the Trustee agree that they will cooperate in causing the paying agent located outside the United States to retain each certificate provided by Euro-clear or Cedel S.A. for a period of four calendar years following the year in which the

certificate is received and not to destroy or otherwise dispose of any such certificate without first offering to deliver it to the Company.

Each certificate to be provided by Euro-clear and Cedel S.A. shall be substantially in the form attached hereto as Exhibit A or with such changes therein as shall be approved by the Company and be satisfactory to the Trustee.

Each certificate received by Euro-clear and Cedel S.A. from persons appearing in their records as persons entitled to a portion of the Temporary Global Bearer Security shall be substantially to the effect set forth in this Indenture.

Upon any such exchange of a portion of the Temporary Global Bearer Security for Bearer Securities or the Permanent Global Bearer Security, the Temporary Global Bearer Security shall be endorsed to reflect the reduction of the principal amount evidenced thereby. Until so exchanged in full, the Temporary Global Bearer Security shall in all respects be entitled to the same benefits under, and subject to the same terms and conditions of, this Indenture as Bearer Securities authenticated and delivered hereunder, except that none of Euro-clear, Cedel S.A. or the beneficial owners of the Temporary Global Bearer Security shall be entitled to receive payment of interest or other payments thereon or to convert the Temporary Global Bearer Security, or any portion thereof, into Common Stock of the Company or any other security, cash or other property.

SECTION 2.3 TITLE, TERMS AND DENOMINATIONS.

(a) The aggregate Principal Amount of Securities which may be authenticated and delivered under this Indenture shall be unlimited.

The Securities may be issued in one or more series. There shall be established and, subject to Section 2.4, set forth, or determined in the manner provided, in an Officers' Certificate of the Company or established in one or more indentures supplemental hereto:

- (1) the title of the Securities of the series (which shall distinguish the Securities of the series from all other Securities);
- (2) any limit upon the aggregate Principal Amount of the Securities of the series which may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of the series pursuant to Sections 2.8, 2.9, 2.11, 3.6, 9.5 or 10.3 and except for any Securities which, pursuant to Section 2.4, are deemed never to have been authenticated and delivered hereunder);
- (3) whether Securities of the series are to be issuable as Registered Securities, Bearer Securities or both, and whether any Securities of the series may be represented initially by a Security in temporary or permanent global form and, if so, the initial

Depository with respect to any such temporary or permanent global Security, and if other than as provided in Section 2.8 or 2.11, as applicable, whether and the circumstances under which beneficial owners of interests in any such temporary or permanent global Security may exchange such interests for Securities of such series and of like tenor of any authorized form and denomination and the Authorized Newspapers for publication of notices to holders of Bearer Securities;

(4) the date or dates on which the Principal of the Securities of the series is payable or the method of determination thereof;

(5) the place or places where, subject to the provisions of Section 4.5, and the manner in which the Principal of and interest, if any, on Securities of the series shall be payable and the place or places where the Securities may be presented for transfer and, if applicable, conversion or exchange and notices and demands to or upon the Company in respect of the Securities of the series and this Indenture may be served;

(6) the rate or rates at which the Securities of the series shall bear interest, or the method of calculating such rate or rates, if any, and the date or dates from which any such interest shall accrue;

(7) the Interest Payment Dates on which any such interest shall be payable and the Regular Record Date for any interest payable on any Registered Securities on any Interest Payment Date;

(8) the obligation, if any, of the Company to redeem or purchase Securities of the series pursuant to any sinking fund or analogous provisions or at the option of a Holder thereof, the conditions, if any, giving rise to such obligation, and the period or periods within which, and the price or prices at which and the terms and conditions upon which Securities of the series shall be redeemed or purchased, in whole or in part, pursuant to such obligation, and any provisions for the remarketing of such Securities;

(9) whether the Securities are convertible or exchangeable into other securities and, if so, the terms and conditions upon which such conversion or exchange will be effected including the initial conversion or exchange price or rate and any adjustments thereto, the conversion or exchange period and other conversion or exchange provisions;

(10) the currency or currencies, including composite currencies, in which payment of the Principal of and interest, if any, on the Securities of the series shall be payable if other than the currency of the United States, and if so, whether the Securities of the Series may be satisfied and discharged other than as provided in Article VIII;

(11) any terms applicable to Original Issue Discount, if any (as that term is defined in the Internal Revenue Code of 1986, as amended, and the Regulations

thereunder), including the issue price thereof and the rate or rates at which such Original Issue Discount, if any, shall accrue;

(12) if the amount of payments of Principal of and interest, if any, on the Securities of the series is to be determined with reference to an index, formula or other method, or based on a coin or currency other than that in which the Securities are stated to be payable, the manner in which such amounts shall be determined and the calculation agent, if any, with respect thereto;

(13) if other than the Principal Amount thereof, the portion of the Principal Amount of any Securities of the series which shall be payable upon declaration of acceleration of the Maturity thereof pursuant to Section 6.2;

(14) any deletions from, modifications of or additions to the Events of Default or covenants of the Company specified in this Indenture with respect to such Securities of the series;

(15) the person to whom any interest on any Registered Security of the series shall be payable, if other than the person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, the manner in which, and the person to whom, any interest on any Bearer Security of the series shall be payable, if otherwise than upon presentation and surrender of the coupons appertaining thereto as they severally mature, and the extent to which, or the manner in which (including any certification requirement and other terms and conditions under which), any interest payable on a temporary or permanent global Security on an Interest Payment Date will be paid if other than in the manner provided in Section 2.2 and Section 2.4, as applicable;

(16) the period or periods within which, the price or prices at which and the terms and conditions upon which, Securities of the series may be redeemed, in whole or in part, at the option of the Company;

(17) the denominations in which any Registered Securities of the series shall be issuable, if other than denominations of \$1,000 and any integral multiple thereof, and the denomination or denominations in which any Bearer Securities of the series shall be issuable, if other than denominations of \$5,000 and \$100,000;

(18) if the Company will pay additional amounts on any of the Securities and coupons, if any, of the series to any Holder who is a United States Alien (including any modification in the definition of such term), in respect of any tax, assessment or governmental charge withheld or deducted, under what circumstances and with what procedures and documentation the Company will pay such additional amounts, whether such additional amounts will be treated as interest or Principal pursuant to this Indenture,

and whether the Company will have the option to redeem such Securities rather than pay additional amounts (and the terms of any such option);

(19) if other than as defined in Section 1.1, the meaning of "BUSINESS DAY" when used with respect to any Securities of the series;

(20) if the Securities of the series may be issued or delivered (whether upon original issuance or upon exchange of a temporary Security of such series or otherwise), or any installment of Principal of or any interest is payable, only upon receipt of certain certificates or other documents or satisfaction of other conditions in addition to those specified in this Indenture, the form and terms of such certificates, documents or conditions; and

(21) any other terms of the series (which terms shall not be inconsistent with the provisions of this Indenture, except as permitted by Section 9.1(7)).

All Securities of any one series and the coupons appertaining to any Bearer Securities of such series shall be substantially identical except as to denomination and the rate or rates of interest, if any, and Stated Maturity, the date from which interest, if any, shall accrue and except as may otherwise be provided in or pursuant to an Officers' Certificate pursuant to this Section 2.3(a) or in any indenture supplemental hereto. All Securities of any one series need not be issued at the same time and, unless otherwise provided, a series may be reopened for issuances of additional Securities of such series or for the establishment of additional terms with respect to the Securities of such series.

If any of the terms of the series are established by action taken pursuant to a Board Resolution, a copy of any appropriate record of such action shall be certified by the Secretary or an Assistant Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Officers' Certificate setting forth the terms of the series. With respect to Securities of a series subject to a Periodic Offering, such Board Resolution or Officers' Certificate may provide general terms for Securities of such series and provide either that the specific terms of particular Securities of such series shall be specified in a Company Order or that such terms shall be determined by the Company, or one or more of the Company's agents designated in an Officers' Certificate, in accordance with the Company Order as contemplated by the first proviso of the third paragraph of Section 2.4.

(b) Unless otherwise provided as contemplated by Section 2.3(a) with respect to any series of Securities, any Registered Securities of a series shall be issuable in denominations of \$1,000 and any integral multiple thereof and any Bearer Securities of a series shall be issuable in denominations of \$5,000 and \$100,000.

SECTION 2.4 EXECUTION, AUTHENTICATION, DELIVERY AND DATING. The Securities shall be executed on behalf of the Company by its Chairman of the Board, one of its Vice Chairmen, its

President or one of its Vice Presidents, or the Treasurer or any Assistant Treasurer, under its corporate seal reproduced thereon attested by its Secretary or one of its Assistant Secretaries. The signature of any of these officers on the Securities may be manual or facsimile. Coupons shall bear the facsimile signature of the Treasurer or any Assistant Treasurer of the Company.

Securities and coupons bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities or did not hold such offices at the date of such Securities.

At any time and from time to time after the execution and delivery of this Indenture (and subject to delivery of the Board Resolution or Officers' Certificate or supplemental indenture as set forth in Section 2.3 with respect to the initial issuance of Securities of any series), the Company may deliver Securities of any series together with any coupons appertaining thereto, executed by the Company to the Trustee or its authenticating agent with respect to Bearer Securities for authentication, together with a Company Order for the authentication and delivery of such Securities; and the Trustee or its authenticating agent with respect to Bearer Securities in accordance with such Company Order shall authenticate and deliver such Securities; PROVIDED, HOWEVER, that, with respect to Securities of a series subject to a Periodic Offering, (a) such Company Order may be delivered by the Company to the Trustee prior to the delivery to the Trustee or its authenticating agent with respect to Bearer Securities of such Securities for authentication and delivery, (b) the Trustee shall authenticate and deliver Securities of such series for original issue from time to time, in an aggregate Principal Amount not exceeding the aggregate Principal Amount established for such series, pursuant to a Company Order or pursuant to such procedures acceptable to the Trustee as may be specified from time to time by a Company Order, (c) the rate or rates of interest, if any, the Stated Maturity or Maturities, the original issue date or dates, the redemption provisions, if any, and any other terms of Securities of such series shall be determined by a Company Order or pursuant to such procedures and (d) if provided for in such procedures, such Company Order may authorize authentication and delivery pursuant to electronic instructions from the Company, or the Company's duly authorized agent or agents designated in an Officers' Certificate, which instructions shall be promptly confirmed in writing; and PROVIDED, FURTHER, that, no Bearer Security or coupon shall be mailed or otherwise delivered to any person who is not a United States Alien or to any location in the United States. Except as permitted by Section 2.9, the authenticating agent shall not authenticate and deliver any Bearer Security unless all appurtenant coupons for interest then matured have been detached and cancelled.

If the forms or terms of the Securities of the series and any related coupons have been established in or pursuant to one or more Officers' Certificates as permitted by Sections 2.1 and 2.3(a), in authenticating such Securities, and accepting the additional responsibilities under this Indenture in relation to such Securities, the Trustee shall be entitled to receive, and (subject to Section 7.1) shall be fully protected in relying upon, an Opinion of Counsel stating:

(a) that the form and terms of such Securities and any coupons have been duly authorized by the Company and established in conformity with the provisions of this Indenture; and

(b) that such Securities, together with any coupons appertaining thereto, when authenticated and delivered by the Trustee or its authenticating agent and issued by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute valid and legally binding obligations of the Company, enforceable in accordance with their terms, subject to customary exceptions;

PROVIDED, HOWEVER, that, with respect to Securities of a series subject to a Periodic Offering, the Trustee shall be entitled to receive such Opinion of Counsel only once at or prior to the time of the first authentication of Securities of such series (provided that such Opinion of Counsel covers all Securities of such series) and that the Opinion of Counsel above may state:

(x) that the forms of such Securities have been, and the terms of such Securities (when established in accordance with such procedures as may be specified from time to time in a Company Order, all as contemplated by and in accordance with a Board Resolution or an Officers' Certificate or supplemental indenture pursuant to Section 2.3(a), as the case may be) will have been, duly authorized by the Company and established in conformity with the provisions of this Indenture; and

(y) that such Securities, together with the coupons, if any, appertaining thereto, when (1) executed by the Company, (2) completed, authenticated and delivered by the Trustee or in the case of Bearer Securities and coupons, an authenticating agent located outside the United States, in accordance with this Indenture, and (3) issued by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute valid and legally binding obligations of the Company, enforceable in accordance with their terms, subject to customary exceptions.

With respect to Securities of a series subject to a Periodic Offering, the Trustee may conclusively rely, as to the authorization by the Company of any of such Securities, the form and terms thereof and the legality, validity, binding effect and enforceability thereof, upon the Opinion of Counsel and other documents delivered pursuant to Sections 2.1 and 2.3(a) and this Section, as applicable, at or prior to the time of the first authentication of Securities of such series unless and until it has received written notification that such opinion or other documents have been superseded or revoked. In connection with the authentication and delivery of Securities of a series subject to a Periodic Offering, the Trustee shall be entitled to assume, unless it has received written notice to the contrary, that the Company's instructions to authenticate and deliver such Securities do not violate any rules, regulations or orders of any governmental agency or commission having jurisdiction over the Company.

Notwithstanding the provisions of Section 2.3(a) and of the preceding three paragraphs, if all Securities of a series are subject to a Periodic Offering, it shall not be necessary to deliver the

Officers' Certificate otherwise required pursuant to Section 2.3(a) at or prior to the time of authentication of each Security of such series if such Officers' Certificate is delivered at or prior to the authentication upon original issuance of the first Security of such series to be issued.

Each Registered Security shall be dated the date of its authentication; and, unless otherwise specified as contemplated by Section 2.3(a), each Bearer Security (including a Bearer Security represented by a temporary global Security) shall be dated as of the date of original issuance of the first Security of such series to be issued.

The Trustee (at the expense of the Company) may appoint an authenticating agent reasonably acceptable to the Company to authenticate Securities. Unless otherwise provided in the appointment, an authenticating agent may authenticate Securities whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent.

No Security or coupon shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein duly executed by the Trustee by manual signature of an authorized signatory, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder. The Trustee's certificate of authentication shall be in substantially the following form:

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

**THE FIRST NATIONAL BANK OF CHICAGO, as
Trustee**

**By:
Authorized Signatory**

Notwithstanding the foregoing, if any Security shall have been duly authenticated and delivered hereunder but never issued and sold by the Company, and the Company shall deliver such Security to the Trustee for cancellation as provided in Section 2.12 together with a written statement (which need not comply with Section 12.4 or 12.5 and need not be accompanied by an Opinion of Counsel) stating that such Security has never been issued and sold by the Company, for all purposes of this Indenture such Security shall be deemed never to have been authenticated and delivered hereunder and shall never be entitled to the benefits of this Indenture.

SECTION 2.5 REGISTRAR AND PAYING AGENT. The Company shall maintain, with respect to each series of Securities, an office or agency where such Securities may be presented for registration of transfer or for exchange ("REGISTRAR") and an office or agency where such Securities may be presented for purchase or payment ("PAYING AGENT"). The Registrar shall keep a register of the Securities and of their transfer and exchange. The Company may have one or more additional paying agents. The term Paying Agent includes any additional paying agent.

The Company shall enter into an appropriate agency agreement with respect to each series of Securities with any Registrar or Paying Agent (if not the Trustee). The agreement shall implement the provisions of this Indenture that relate to such agent. The Company shall notify the Trustee of the name and address of any such agent. If the Company fails to maintain a Registrar or Paying Agent for a particular series of Securities, the Trustee shall act as such and shall be entitled to appropriate compensation therefor pursuant to Section 7.7. The Company or any Subsidiary or an Affiliate of either of them may act as Paying Agent or Registrar.

The Company initially appoints the Trustee as the Registrar and Paying Agent in connection with such Securities and The First National Bank of Chicago, London Branch, or as provided in the Officer's Certificate establishing the Securities, as paying agent and authenticating agent for Bearer Securities.

SECTION 2.6 PAYING AGENT TO HOLD MONEY AND SECURITIES IN TRUST. Except as otherwise provided herein, prior to or on each due date of payments in respect of any series of Securities, the Company shall deposit with the Paying Agent with respect to such Securities a sum of money sufficient to make such payments when so becoming due. The Company shall require each Paying Agent (other than the Trustee) to agree in writing that the Paying Agent shall hold in trust for the benefit of Holders or the Trustee all money held by such Paying Agent for the making of payments in respect of the Securities of such series and shall notify the Trustee in writing of any default by the Company in making any such payment. At any time during the continuance of any such default, a Paying Agent shall, upon the written request of the Trustee, forthwith pay to the Trustee all money so held in trust with respect to such Securities. If the Company, a Subsidiary or an Affiliate of either of them acts as Paying Agent for a series of Securities, it shall segregate the money held by it as Paying Agent with respect to such Securities and hold it as a separate trust fund. The Company at any time may require a Paying Agent for a series of Securities to pay all money held by it with respect to such Securities to the Trustee and to account for any money disbursed by it. Upon doing so, such Paying Agent shall have no further liability for the money.

SECTION 2.7 SECURITYHOLDER LISTS. The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Holders of each series of Securities. If the Trustee is not the Registrar for any series of Securities, the Company shall cause to be furnished to the Trustee at least semiannually on

June 1 and December 1 a listing of Holders of such series of Securities dated within 15 days of the date on which the list is furnished and at such other times as the Trustee may request in writing a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Securityholders of such series of Securities.

SECTION 2.8 TRANSFER AND EXCHANGE. Upon surrender for registration of transfer of any Security at the office or agency of the Company designated pursuant to Section 4.5 for such purpose in a Place of Payment, the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Securities of any authorized denomination or denominations of a like aggregate Principal Amount and tenor. The Company shall not charge a service charge for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to pay all taxes, assessments or other governmental charges that may be imposed in connection with the transfer or exchange of the Securities from the Securityholder requesting such transfer or exchange (other than any exchange of a temporary Security for a definitive Security not involving any change in ownership or any exchange pursuant to Section 2.11, 3.6, 9.5 or 10.3 not involving any transfer).

Notwithstanding any other provisions (other than the provisions set forth in the sixth and seventh paragraphs) of this Section, a Security in global form representing all or a portion of the Securities of a series may not be transferred except as a whole by the Depositary for such series to a nominee of such Depositary or by a nominee of such Depositary to such Depositary or another nominee of such Depositary or by such Depositary or any such nominee to a successor Depositary for such series or a nominee of such successor Depositary.

At the option of the Holder, Registered Securities of any series may be exchanged for other Registered Securities of the same series of any authorized denomination or denominations, of a like aggregate Principal Amount and tenor, upon surrender of the Securities to be exchanged at such office or agency. Whenever any Securities are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the Securities which the Holder making the exchange is entitled to receive. Bearer Securities may not be issued in exchange for Registered Securities.

At the option of the Holder, Bearer Securities of any series may be exchanged for Registered Securities of the same series of any authorized denomination or denominations and of a like aggregate Principal Amount and tenor, upon surrender of the Bearer Securities to be exchanged at any office or agency of the Company located outside the United States, with all unmatured coupons and all matured coupons in default thereto appertaining. If the Holder of a Bearer Security is unable to produce any such unmatured coupon or coupons or matured coupon or coupons in default, such exchange may be effected if the Bearer Securities are accompanied by payment in funds acceptable to the Company and the Trustee or Paying Agent in an amount equal to the face amount of such missing coupon or coupons, or the surrender of such missing coupon or coupons may be waived by the Company, the Paying

Agent and the Trustee if there is furnished to them such security or indemnity as they may require to save each of them and any Paying Agent harmless. If thereafter the Holder of such Security shall surrender to any Paying Agent any such missing coupon in respect of which such a payment shall have been made, such Holder shall be entitled to receive the amount of such payment; PROVIDED, HOWEVER, that, except as otherwise provided in Section 4.5, interest represented by coupons shall be payable only upon presentation and surrender of those coupons at an office or agency located outside the United States. Notwithstanding the foregoing, in case a Bearer Security of any series is surrendered at any such office or agency in exchange for a Registered Security of the same series and like tenor after the close of business at such office or agency on (i) any Regular Record Date and before the opening of business at such office or agency on the relevant Interest Payment Date, or (ii) any Special Record Date and before the opening of business at such office or agency on the related proposed date for payment of Defaulted Interest, such Bearer Security shall be surrendered without the coupon relating to such Interest Payment Date or proposed date for payment, as the case may be, and interest or Defaulted Interest, as the case may be, will not be payable on such Interest Payment Date or proposed date for payment, as the case may be, in respect of the Registered Security issued in exchange for such Bearer Security, but will be payable only to the Holder of such coupon when due in accordance with the provisions of this Indenture.

Whenever any Securities are so surrendered for exchange, the Company shall execute, and the Trustee or a duly appointed authenticating agent shall authenticate and deliver, the Securities which the Holder making the exchange is entitled to receive.

If at any time the Depositary for the Securities of a series notifies the Company that it is unwilling or unable to continue as Depositary for the Securities of such series, the Company shall appoint a successor Depositary with respect to the Securities of such series. If a successor Depositary for the Securities of such series is not appointed by the Company within 90 days after the Company receives such notice, the Company will execute, and the Trustee, upon receipt of a Company Order for the authentication and delivery of definitive Securities of such series, will authenticate and deliver Securities of such series in definitive form in an aggregate Principal Amount equal to the Principal Amount of the Security or Securities in global form representing such series in exchange for such Security or Securities in global form in accordance with the instructions, if any, of the Depositary.

The Company may at any time and in its sole discretion determine that the Securities of any series issued in the form of one or more global Securities shall no longer be represented by such global Security or Securities. In such event the Company will execute, and the Trustee, upon receipt of a Company Order for the authentication and delivery of definitive Securities of such series, will authenticate and deliver Securities of such series in definitive form and in an aggregate Principal Amount equal to the Principal Amount of the Security or Securities in global form representing such series in exchange for such Security or Securities in global form in accordance with the instructions, if any, of the Depositary.

Notwithstanding the foregoing, except as otherwise specified in the preceding two paragraphs or as contemplated by Section 2.3(a), any global Security shall be exchangeable only as provided in this paragraph. If the beneficial owners of interests in a global Security are entitled to exchange such interests for definitive Securities of such series and of like Principal Amount and tenor but of another authorized form and denomination, as specified as contemplated by Section 2.3(a), then without unnecessary delay but in any event not later than five business days prior to the earliest date on which such interests may be so exchanged, the Company shall deliver to the Trustee definitive Securities in aggregate Principal Amount equal to the Principal Amount of such global Security, executed by the Company. On or after the earliest date on which such interests may be so exchanged, such global Security shall be surrendered by the Depository with respect thereto to the Trustee, as the Company's agent for such purpose, to be exchanged, in whole or from time to time in part, for definitive Securities without charge and the Trustee or, in the case of Bearer Securities, an authenticating agent outside the United States shall authenticate and deliver, in exchange for each portion of such global Security, an equal aggregate Principal Amount of definitive Securities of the same series of authorized denominations and of like tenor as the portion of such global Security to be exchanged which, unless the Securities of the series are not issuable both as Bearer Securities and as Registered Securities, as specified as contemplated by Section 2.3(a), shall be in the form of Bearer Securities or Registered Securities, or any combination thereof, as shall be specified by the beneficial owner thereof; PROVIDED, HOWEVER, that notwithstanding the last paragraph of this Section 2.8, no such exchanges may occur during a period beginning at the opening of business 15 days before any selection of Securities of that series to be redeemed and ending on the relevant Redemption Date; and PROVIDED, FURTHER, that no Bearer Security or coupon delivered in exchange for a portion of a global Security shall be mailed or otherwise delivered to any person that is not a United States Alien or to any location in the United States. If a Registered Security is issued in exchange for any portion of a global Security after the close of business at the office or agency where such exchange occurs on (i) any Regular Record Date and before the opening of business at such office or agency on the relevant Interest Payment Date, or (ii) any Special Record Date and before the opening of business at such office or agency on the related proposed date for payment of Defaulted Interest, interest or Defaulted Interest, as the case may be, will not be payable on such Interest Payment Date or proposed date for payment, as the case may be, in respect of such Registered Security, but will be payable on such Interest Payment Date or proposed date for payment, as the case may be, only to the Person to whom interest in respect of such portion of such global Security is payable in accordance with the provisions of this Indenture.

Upon the exchange of a Security in global form for Securities in definitive form, such Security in global form shall be cancelled by the Trustee. All cancelled Securities and coupons held by the Trustee shall be destroyed by the Trustee and a certificate of their destruction delivered to the Company unless the Company directs, by Company Order, that the Trustee deliver cancelled Securities to the Company. Registered Securities issued in exchange for a Security in global form pursuant to this Section 2.8 shall be registered in such names and in such authorized denominations as the Depository for such Security in global

form, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee in writing. The Trustee shall deliver such Registered Securities as instructed in writing by the Depositary.

All Securities issued upon any registration of transfer or exchange of Securities shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such registration of transfer or exchange.

Every Registered Security presented or surrendered for registration of transfer or for exchange shall be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company and the Registrar duly executed by the Holder thereof or his attorney duly authorized in writing.

The Company shall not be required (i) to issue, register the transfer of or exchange Securities of any series during a period beginning at the opening of business 15 days before any selection of Securities of that series to be redeemed and ending (except as otherwise provided in the first proviso in the eighth paragraph of this Section 2.8) at the close of business on (A) if Securities of the Series are issuable only as Registered Securities, the day of the mailing of the relevant notice of redemption and (B) if Securities of the series are issuable as Bearer Securities, the day of the first publication of the relevant notice of redemption or, if Securities of the series are also issuable as Registered Securities and there is no publication, the mailing of the relevant notice of redemption, or (ii) to register the transfer of or exchange any Registered Security so selected for redemption, in whole or in part, except the unredeemed portion of any Security being redeemed in part, or (iii) to exchange any Bearer Security so selected for redemption except that such a Bearer Security may be exchanged for a Registered Security of that series and like tenor, provided that such Registered Security shall be simultaneously surrendered for redemption.

SECTION 2.9 REPLACEMENT SECURITIES AND COUPONS. If (a) any mutilated Security or a Security with a mutilated coupon appertaining thereto is surrendered to the Trustee or paying agent outside the United States, or (b) the Company and the Trustee receive evidence to their satisfaction of the destruction, loss or theft of any Security or coupon, and there is delivered to the Company and the Trustee such security or indemnity as may be required by them to save each of them harmless, then, in the absence of written notice to the Company, any such paying agent or the Trustee that such Security or coupon has been acquired by a BONA FIDE purchaser, the Company shall execute and upon its written request the Trustee or paying agent outside the United States shall authenticate and deliver, in exchange for any such mutilated Security or coupon or in lieu of any such destroyed, lost or stolen Security or coupon, or in exchange for the Security to which a mutilated, destroyed, lost or stolen coupon appertains (with all appurtenant coupons not mutilated, destroyed, lost or stolen), a new Security of the same series and of like tenor and Principal Amount, bearing a number not contemporaneously outstanding, with coupons corresponding to the coupons, if any,

appertaining to such destroyed, lost or stolen Security or coupon, or to the Security to which such destroyed, lost or stolen coupon appertains.

In case any such mutilated, destroyed, lost or stolen Security or coupon has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Security, pay such Security or coupon; PROVIDED, HOWEVER, that the Principal of and any interest on Bearer Securities shall, except as otherwise provided in Section 4.5, be payable only at an office or agency located outside the United States and, unless otherwise specified as contemplated by Section 2.3(a), any interest on Bearer Securities shall be payable only upon presentation and surrender of the coupons appertaining thereto.

Upon the issuance of any new Securities under this Section, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee or paying agent) connected therewith.

Every new Security of any series issued pursuant to this Section in lieu of any mutilated, destroyed, lost or stolen Security, or in exchange for a Security to which a mutilated, destroyed, lost or stolen coupon appertains, shall constitute an original additional contractual obligation of the Company, whether or not the mutilated, destroyed, lost or stolen Security and its coupons, if any, or the mutilated, destroyed, lost or stolen coupon shall be at any time enforceable by anyone, and any such new Security and coupons, if any, shall be entitled to all benefits of this Indenture equally and proportionately with any and all other Securities of that issue and their coupons, if any, duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities or coupons.

SECTION 2.10 OUTSTANDING SECURITIES; DETERMINATIONS OF HOLDERS' ACTION. Securities of any series "OUTSTANDING" at any time are, as of the date of determination, all the Securities of such series theretofore authenticated by the Trustee for such series except for (i) Securities cancelled by it or those delivered to it for cancellation; (ii) Securities for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Company) in trust or set aside and segregated in trust by the Company (if the Company shall act as its own Paying Agent) for the Holders of such Securities; PROVIDED that, if such Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made; (iii) Securities as to which defeasance has been effected pursuant to Section 8.4; (iv) Securities which have been paid or in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Securities are held by a bona fide purchaser in whose hands

such Securities are valid obligations of the Company; and (v) those described in this Section 2.10 as not outstanding. A Security does not cease to be "OUTSTANDING" because the Company or an Affiliate thereof holds the Security; PROVIDED, HOWEVER, that in determining whether the Holders of the requisite Principal Amount of Outstanding Securities have given or concurred in any request, demand, authorization, direction, notice, consent or waiver hereunder, Securities owned by the Company or any other obligor upon the Securities or any Affiliate of the Company or such other obligor shall be disregarded and deemed not to be outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securities which the Trustee has received written notice are so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor. Subject to the foregoing, only Securities outstanding at the time of such determination shall be considered in any such determination (including, without limitation, determinations pursuant to Articles 6 and 9). In addition, in determining whether the Holders of the requisite Principal Amount of Outstanding Securities have given or concurred in any request, demand, authorization, direction, notice, consent or waiver hereunder, (i) the Principal Amount of a Discount Security that shall be deemed to be Outstanding shall be the amount of the Principal thereof that would be due and payable as of the date of such determination upon acceleration of the Maturity thereof pursuant to Section 6.2, (ii) the Principal Amount of a Security denominated in a foreign currency or currencies shall be the Dollar equivalent, as determined on the date of original issuance of such Security, of the Principal Amount (or, in the case of a Discount Security, the Dollar equivalent on the date of original issuance of such Security of the amount determined as provided in (i) above) of such Security.

If a Security has been paid pursuant to Section 2.9 or in exchange for or in lieu of which another Security has been authenticated and delivered pursuant to this Indenture, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Security is held by a BONA FIDE purchaser.

If the Trustee (other than the Company) holds, in accordance with this Indenture, on a Redemption Date or on Stated Maturity, money sufficient to pay Securities and any coupons thereto appertaining payable on that date, then on and after that date such Securities shall cease to be outstanding and interest, if any, on such Securities shall cease to accrue; PROVIDED, that if such Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made.

SECTION 2.11 TEMPORARY SECURITIES. Pending the preparation of definitive Securities of any series, the Company may execute, and upon Company Order the Trustee shall authenticate and deliver, temporary Securities which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination,

substantially of the tenor of the definitive Securities in lieu of which they are issued, in registered form or, if authorized, in bearer form with one or more coupons or without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the Officers executing such Securities may determine, as conclusively evidenced by their execution of such Securities. Such temporary Securities may be in global form.

Except in the case of Securities represented by a temporary global Security (which shall be exchanged in accordance with the provisions of the three succeeding paragraphs), if temporary Securities for some or all of the Securities of any series are issued, the Company will cause definitive Securities representing such Securities to be prepared without unreasonable delay. Subject to Section 2.2, after the preparation of such definitive Securities, the temporary Securities shall be exchangeable for such definitive Securities of like tenor upon surrender of the temporary Securities at the office or agency of the Company designated for such purpose pursuant to Section 4.5 in a Place of Payment for such series for the purpose of exchanges of Securities of such series, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities of any series (accompanied by any unmatured coupons appertaining thereto), the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a like Principal Amount of definitive Securities of the same series and of like tenor of authorized denominations; PROVIDED, HOWEVER, that no definitive Bearer Security or Permanent Global Bearer Security shall be delivered in exchange for a temporary Registered Security. Until so exchanged the temporary Securities shall in all respects be entitled to the same benefits under this Indenture as definitive Securities.

Unless otherwise specified as contemplated by Section 2.3(a), if Bearer Securities of any series are represented by a Security in temporary global form, any such temporary global Security shall be delivered to the Depositary for the benefit of Euro-clear and Cedel S.A., for credit to the respective accounts of the beneficial owners of such Securities (or to such other accounts as they may direct).

Without unnecessary delay but in any event not later than the Exchange Date, the Company shall deliver to the Trustee or paying agent outside the United States permanent Securities of the same series which may be in definitive or global form at the sole discretion of the Company, in aggregate Principal Amount equal to the Principal Amount of such temporary global Security, executed by the Company. On or after the Exchange Date, such temporary global Security shall be surrendered by the Depositary to the Trustee or paying agent outside the United States, as the Company's agent for such purpose, to be exchanged, in whole or from time to time in part, for permanent Securities of the same series which may be in definitive or global form at the sole discretion of the Company and of like tenor without charge and the authenticating agent shall authenticate and deliver, in exchange for each portion of such temporary global Security, an equal aggregate Principal Amount of definitive Securities or interests in the Permanent Global Bearer Security of the same series of authorized denominations and of like tenor as the portion of such temporary global Security to be exchanged. The permanent Securities to be delivered in exchange for any such

temporary global Security shall be in definitive bearer form or registered form, or shall be represented by a Permanent Global Bearer Security, or any combination thereof, as specified as contemplated by Section 2.3(a), and, if any combination thereof is so specified, as requested by the beneficial owner thereof, PROVIDED that no beneficial owner of a registered Temporary Global Bearer Security who is not a United States Alien or who is located in the United States shall be entitled to receive Bearer Securities.

Unless otherwise specified in any such Temporary Global Bearer Security, the interest of a beneficial owner of Securities of a series represented by such Temporary Global Bearer Security shall be exchanged for permanent Securities of the same series which may be in definitive or global form at the sole discretion of the Company and of like tenor following the Exchange Date when the account holder instructs Euro-clear or Cedel S.A., as the case may be, to request such exchange on his behalf and delivers to Euro-clear or Cedel S.A., as the case may be, any certificate specified as contemplated by Section 2.3(a). Unless otherwise specified in such Temporary Global Bearer Security, any such exchange shall be made free of charge to the beneficial owners of such Temporary Global Bearer Security, except that a person receiving permanent Securities must bear the cost of insurance, postage, transportation and the like in the event that such person does not take delivery of such permanent Securities in person at the offices of Euro-clear or Cedel S.A.

Until exchanged in full as hereinabove provided, the temporary Securities of any series shall in all respects be entitled to the same benefits under this Indenture as permanent Securities of the same series and of like tenor authenticated and delivered hereunder, except that, unless otherwise specified as contemplated by Section 2.3(a), interest payable on a temporary global Security representing a series of Bearer Securities on an Interest Payment Date for Securities of such series occurring prior to the applicable Exchange Date shall be payable to Euro-clear and Cedel S.A. on such Interest Payment Date, upon delivery by Euro-clear and Cedel S.A. to a paying agent outside the United States of any certificate specified as contemplated by Section 2.3(a), for credit without further interest on or after such Interest Payment Date to the respective accounts of the persons who are the beneficial owners of such Temporary Global Bearer Security on such Interest Payment Date and who have each delivered to Euro-clear or Cedel S.A., as the case may be, any certificate specified as contemplated by Section 2.3(a).

SECTION 2.12 CANCELLATION. All Securities or coupons surrendered for payment, redemption, registration of transfer or exchange, or for credit against any sinking fund payment, shall, if surrendered to any person other than the Trustee, be delivered to the Trustee and all Registered Securities and matured coupons so delivered shall be promptly cancelled by it. All Bearer Securities and unmatured coupons so delivered shall be held by the Trustee and shall be cancelled. The Company may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever (including Securities received by the Company in exchange or payment for other Securities of the Company) and may deliver to

the Trustee (or to any other person for delivery to the Trustee) for cancellation any Securities previously authenticated hereunder which the Company has not issued and sold, and all Securities so delivered shall be promptly cancelled by the Trustee. The Company may not reissue, or issue new Securities to replace, Securities it has paid or delivered to the Trustee for cancellation. No Securities shall be authenticated in lieu of or in exchange for any Securities cancelled as provided in this Section, except as expressly permitted in the form of Securities for any particular series or as permitted by this Indenture. All cancelled Securities and coupons held by the Trustee shall be destroyed by the Trustee in accordance with its customary procedures and a certificate of their destruction delivered to the Company unless the Company directs, by Company Order, that the Trustee deliver cancelled Securities to the Company.

SECTION 2.13 PAYMENT OF INTEREST; INTEREST RIGHTS PRESERVED. Unless otherwise provided as contemplated by Section 2.3 (a) with respect to any series of Securities, interest on any Registered Security which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest. In case a Bearer Security of any series is surrendered in exchange for a Registered Security of such series after the close of business (at an office or agency in a Place of Payment for such series) on any Regular Record Date and before the opening of business (at such office or agency) on the next succeeding Interest Payment Date, such Bearer Security shall be surrendered without the coupon relating to such Interest Payment Date and interest will not be payable on such Interest Payment Date in respect of the Registered Security issued in exchange for such Bearer Security, but will be payable only to the Holder of such coupon when due in accordance with the provisions of this Indenture.

Any interest on any Registered Security of any series which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "DEFAULTED INTEREST") shall forthwith cease to be payable to the Holder on the relevant Regular Record Date by virtue of having been such Holder, and such Defaulted Interest may be paid by the Company, at its election in each case, as provided in clause (1) or (2) below:

(1) The Company may elect to make payment of any Defaulted Interest to the persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Registered Security and the date of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this

Clause provided. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder of Registered Securities at his address as it appears in the Security Register, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been so mailed, such Defaulted Interest shall be paid to the persons in whose names the Securities (or their respective Predecessor Securities) are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to the following Clause (2).

(2) The Company may make payment of any Defaulted Interest on the Registered Securities in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Registered Securities may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustee of the proposed payment pursuant to this Clause, such manner of payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section and Section 2.8, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and the right to accrue, which were carried by such other Security.

SECTION 2.14 PERSONS DEEMED OWNERS. Prior to due presentment of a Registered Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the person in whose name such Registered Security is registered as the owner of such Registered Security for the purpose of receiving payment of Principal of and (except as otherwise specified as contemplated by Section 2.3(a) and subject to Sections 2.8 and 2.13) interest on such Registered Security and for all other purposes whatsoever, whether or not such Registered Security be overdue, and neither the Company, the Trustee nor any agent of the Company or the Trustee shall be affected by notice to the contrary.

Title to any Bearer Security and any coupons appertaining thereto shall pass by delivery. The Company, the Trustee and any agent of the Company or the Trustee may treat the bearer of any Bearer Security and the bearer of any coupon as the absolute owner of such Bearer Security or coupon for the purpose of receiving payment thereof or on account thereof and for all other purposes whatsoever, whether or not such Bearer Security or coupon be overdue, and neither the Company, the Trustee nor any agent of the Company or the Trustee shall be affected by notice to the contrary.

None of the Company, the Trustee, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of a Security in global form or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

SECTION 2.15 COMPUTATION OF INTEREST. Except as otherwise specified as contemplated by Section 2.3(a) for Securities of any series, (i) interest on any Securities which bear interest at a fixed rate shall be computed on the basis of a 360-day year comprised of twelve 30-day months and (ii) interest on any Securities which bear interest at a variable rate shall be computed on the basis of the actual number of days in an interest period divided by 360.

ARTICLE III

REDEMPTION

SECTION 3.1 RIGHT TO REDEEM; NOTICES TO TRUSTEE. Securities of any series which are redeemable before their Stated Maturity shall be redeemable in accordance with their terms and (except as otherwise specified as contemplated by Section 2.3(a) for Securities of any series) in accordance with this Article. In the case of any redemption at the election of the Company of less than all the Securities of any series, the Company shall, within the time period specified below, notify the Trustee in writing of the Redemption Date, the Principal Amount of, and, of any other information necessary to identify the Securities of, such series to be redeemed and the Redemption Price (including the information set forth in clauses (4), (5) and (6) of Section 3.3). In the case of any redemption of Securities prior to the expiration of any restriction on such redemption provided in the terms of such Securities or elsewhere in this Indenture, the Company shall furnish the Trustee with an Officers' Certificate evidencing compliance with such restriction.

The Company shall give the notice to the Trustee provided for in this Section 3.1 at least 60 days before the Redemption Date (unless a shorter notice shall be satisfactory to the Trustee).

SECTION 3.2 SELECTION OF SECURITIES TO BE REDEEMED. Unless otherwise specified as contemplated by Section 2.3(a) with respect to any series of Securities, if less than all the Securities of any series with the same issue date, interest rate and Stated Maturity are to be redeemed, the Trustee shall select the particular Securities to be redeemed by such method the Trustee considers fair and appropriate, which method may provide for the selection for redemption of portions (equal to the minimum authorized denomination for Securities of that series or any integral multiple thereof) of the Principal Amount of Registered Securities of such series of a denomination larger than the minimum authorized denomination for Securities of that series. The unredeemed portion of the Principal of any Security shall be in an authorized denomination (which shall not be less than the minimum authorized denomination)

for such Security. The Trustee shall make the selection not more than 60 days before the Redemption Date from Outstanding Securities of such series not previously called for redemption. Provisions of this Indenture that apply to Securities called for redemption also apply to portions of Securities called for redemption. The Trustee shall notify the Company promptly in writing of the Securities to be redeemed and, in the case of any portions of Securities to be redeemed, the principal amount thereof to be redeemed.

SECTION 3.3 NOTICE OF REDEMPTION. Unless otherwise specified as contemplated by Section 2.3(a) with respect to any series of Securities, at least 30 days but not more than 60 days before a Redemption Date, the Company shall mail a notice of redemption by first-class mail, postage prepaid, to each Holder of Securities to be redeemed.

The notice shall identify the Securities (including CUSIP/ISIN numbers) to be redeemed and shall state:

- (1) the Redemption Date;
- (2) the Redemption Price;
- (3) if fewer than all the Outstanding Securities of any series are to be redeemed, the identification (and, in the case of partial redemption, the Principal Amounts) of the particular Securities to be redeemed and, if less than all the Outstanding Securities of any series consisting of a single Security are to be redeemed, the principal amount of the particular Security to be redeemed;
- (4) that on the Redemption Date the Redemption Price will become due and payable upon each such Security (or portion thereof) to be redeemed and, if applicable, that interest thereon will cease to accrue on and after said date;
- (5) the place or places where such Securities, together in the case of Bearer Securities with all coupons appertaining thereto, if any, maturing after the Redemption Date, are to be surrendered for payment of the Redemption Price; and
- (6) that the redemption is for a sinking fund, if such is the case.

A notice of redemption with respect to Bearer Securities published as contemplated by Section 12.2 need not identify particular Registered Securities to be redeemed.

At the Company's written request, the Trustee shall give the notice of redemption in the Company's name and at the Company's expense; PROVIDED, HOWEVER, that, in all cases, the text of such Company notice shall be prepared by the Company.

SECTION 3.4 EFFECT OF NOTICE OF REDEMPTION. Once notice of redemption is given, Securities called for redemption become due and payable on the Redemption Date and at the Redemption Price stated in the notice, and from and after such date (unless the Company shall default in the payment of the Redemption Price and accrued interest) such Securities shall cease to bear interest and the coupons for such interest appertaining to any Bearer Securities so to be redeemed, except to the extent provided below, shall be void. Upon surrender of any such Security for redemption in accordance with said notice, together with all coupons, if any, appertaining thereto maturing after the Redemption Date, such Security shall be paid by the Company at the Redemption Price, together with accrued interest to the Redemption Date; PROVIDED, HOWEVER, that installments of interest on Bearer Securities whose Stated Maturity is on or prior to the Redemption Date shall be payable only at an office or agency located outside the United States (except as otherwise provided in Section 4.5) and, unless otherwise specified as contemplated by Section 2.3(a), only upon presentation and surrender of coupons for such interest; and PROVIDED, FURTHER, that, unless otherwise specified as contemplated by Section 2.3(a), installments of interest on Registered Securities whose Stated Maturity is on or prior to the Redemption Date shall be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant Regular Record Dates according to their terms and the provisions of Sections 2.8 and 2.13.

If any Bearer Security surrendered for redemption shall not be accompanied by all appurtenant coupons maturing after the Redemption Date, such Security may be paid after deducting from the Redemption Price an amount equal to the face amount of all such missing coupons, or the surrender of such missing coupon or coupons may be waived by the Company and a paying agent located outside the United States if there be furnished to the Company, the Trustee and such paying agent such security or indemnity as they may require to save each of them and any Paying Agent harmless. If thereafter the Holder of such Security shall surrender to any Paying Agent any such missing coupon in respect of which a deduction shall have been made from the Redemption Price, such Holder shall be entitled to receive the amount so deducted; PROVIDED, HOWEVER, that interest represented by coupons shall be payable only at an office or agency located outside the United States (except as otherwise provided in Section 4.5) and, unless otherwise specified as contemplated by Section 2.3(a), only upon presentation and surrender of those coupons.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the Principal shall, until paid, bear interest from the Redemption Date at the rate prescribed therefor in the Security.

SECTION 3.5 DEPOSIT OF REDEMPTION PRICE. On or prior to 10:00 a.m. New York City time on the Redemption Date, the Company shall deposit with the Paying Agent (or if the Company or a Subsidiary or an Affiliate of either of them is the Paying Agent, shall segregate and hold in trust) money sufficient to pay the Redemption Price of and (except if the Redemption Date shall be an Interest Payment Date) accrued interest on, all Securities to be redeemed on that date other than Securities or portions of Securities called for redemption

which prior thereto have been delivered by the Company to the Trustee for cancellation. If such money is then held by the Company in trust and is not required for such purpose, it shall be discharged from such trust.

SECTION 3.6 SECURITIES REDEEMED IN PART. Any Registered Security which is to be redeemed only in part shall be surrendered at a Place of Payment therefor (with due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing), and upon such surrender, the Company shall execute and the Trustee shall authenticate and deliver to the Holder of such Security a new Registered Security or Securities of the same series and of like tenor, in an authorized denomination as requested by such Holder, equal in aggregate Principal Amount to and in exchange for the unredeemed portion of the Principal of the Security surrendered.

ARTICLE IV

COVENANTS

SECTION 4.1 PAYMENT OF SECURITIES. The Company shall promptly make all payments in respect of each series of Securities on the dates and in the manner provided in the Securities and any coupons appertaining thereto and, to the extent not otherwise so provided, pursuant to this Indenture. An installment of Principal of or interest on the Securities shall be considered paid on the date it is due if the Trustee or a Paying Agent (other than the Company or an Affiliate of the Company) holds on that date funds (in the currency or currencies of payment with respect to such Securities) designated for and sufficient to pay such installment. Unless otherwise specified as contemplated by Section 2.3(a) with respect to any series of Securities, any interest due on Bearer Securities on or before Maturity shall be payable only upon presentation and surrender of the several coupons for such interest installments as are evidenced thereby as they severally mature. At the Company's option, payments of Principal or interest may be made by check or by transfer to an account maintained by the payee (provided, in the case of Registered Securities, the Trustee has received written payment instructions at least fifteen days prior to any payment date) subject, in the case of Bearer Securities, to the provisions of Section 4.5.

SECTION 4.2 SEC REPORTS. The Company shall file with the Trustee, within 15 days after it files such annual and quarterly reports, information, documents and other reports with the SEC, copies of its annual report and of the information, documents and other reports (or copies of such portions of any of the foregoing as the SEC may by rules and regulations prescribe) which the Company is required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act. The Company also shall comply with the other provisions of TIA Section 314(a).

SECTION 4.3 COMPLIANCE CERTIFICATE. The Company shall deliver to the Trustee within 120 days after the end of each fiscal year (beginning with the fiscal year ending on December 26, 1998) an Officers' Certificate stating whether or not the signers know of any Default that occurred during such period. If they do, such Officers' Certificate shall describe the Default and its status.

SECTION 4.4 FURTHER INSTRUMENTS AND ACTS. Upon request of the Trustee and subject to the Company's consent, which shall not be unreasonably withheld, the Company will execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purposes of this Indenture.

SECTION 4.5 MAINTENANCE OF OFFICE OR AGENCY. If Securities of a series are issuable only as Registered Securities, the Company will maintain in each Place of Payment for such series an office or agency where Securities of that series may be presented or surrendered for payment, where Securities of that series may be surrendered for registration of transfer or exchange and where notices and demands to or upon the Company in respect of the Securities of that series and this Indenture may be served. If Securities of a series are issuable as Bearer Securities, the Company will maintain (A) in the Borough of Manhattan, The City of New York, an office or agency where any Registered Securities of that series may be presented or surrendered for payment, where any Registered Securities of that series may be surrendered for registration of transfer, where Securities of that series may be surrendered for exchange, purchase or redemption and where notices and demands to or upon the Company in respect of the Securities of that series and this Indenture may be served and where Bearer Securities of that series and related coupons may be presented or surrendered for payment in the circumstances described in the following paragraph (and not otherwise), (B) subject to any laws or regulations applicable thereto, in a Place of Payment for that series which is located outside the United States, an office or agency where Securities of that series and related coupons may be presented and surrendered for payment (including payment of any additional amounts payable on Securities of that series pursuant to Section 4.6), and (C) subject to any laws or regulations applicable thereto, in a Place of Payment for that series located outside the United States, an office or agency where any Registered Securities of that series may be surrendered for registration of transfer, where Securities of that series may be surrendered for exchange and where notices and demands to or upon the Company in respect of the Securities of that series and this Indenture may be served. The office of the Trustee at The First National Bank of Chicago, London Branch, 27 Leadenhall Street, London, England EC3A 1AA, Attention: Corporate Trust Administration, shall be such office or agency for all of the aforesaid purposes (except that with respect to the presentation of Registered Securities for payment or for registration of transfer or exchange such office shall be the office of the Trustee at One First National Plaza, Suite 0126, Chicago, IL 60670-0126, Attention: Corporate Trust Services Division) unless the Company shall maintain some other office or agency for such purposes and shall give prompt written notice to the Trustee of the location, and any change in the location, of such other office or agency. If at any time the Company shall fail to maintain any such required office or agency in respect of any series of Securities

or shall fail to furnish the Trustee with the address thereof, such presentations and surrenders of Securities of that series may be made and notices and demands may be made or served at the address of the Trustee set forth in Section 12.2, except that Bearer Securities of that series and the related coupons may be presented and surrendered for payment (including payment of any additional amounts payable on Bearer Securities of that series pursuant to Section 4.6) at the place specified for that purpose as contemplated by Section 2.3(a) or, if no such place is specified, at the office of the paying agent and authenticating agent in London, and the Company hereby appoints the same as its agent to receive such respective presentations, surrenders, notices and demands.

No payment of Principal or interest on Bearer Securities shall be made at any office or agency of the Company in the United States, by check mailed to any address in the United States, by transfer to an account located in the United States or upon presentation or surrender in the United States of a Bearer Security or coupon for payment, even if the payment would be credited to an account located outside the United States; PROVIDED, HOWEVER, that, if the Securities of a series are denominated and payable in Dollars, payment of Principal of and any interest on any such Bearer Security (including any additional amounts payable on Securities of such series pursuant to Section 4.6) shall be made at the office of the Company's Paying Agent in the Borough of Manhattan, The City of New York, if (but only if) payment in Dollars of the full amount of such Principal, interest or additional amounts, as the case may be, at all offices or agencies outside the United States maintained for such purpose by the Company in accordance with this Indenture is illegal or effectively precluded by exchange controls or other similar restrictions.

The Company may also from time to time designate one or more other offices or agencies where the Securities of one or more series may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; PROVIDED, HOWEVER, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in accordance with the requirements set forth above for Securities of any series for such purposes. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

SECTION 4.6 ADDITIONAL AMOUNTS. If specified as contemplated by Section 2.3(a), the Securities of a series may provide for the payment of additional amounts, and in such case, the Company will pay to the Holder of any Security of such series or any coupon appertaining thereto additional amounts as provided therein. Wherever in this Indenture there is mentioned, in any context, the payment of the Principal of or any interest on, or in respect of, any Security of any series or payment of any related coupon, such mention shall be deemed to include mention of the payment of additional amounts provided for in this Section to the extent that, in such context, additional amounts are, were or would be payable in respect thereof pursuant to the provisions of this Section and express mention of the payment of additional amounts (if applicable) in any provisions hereof shall not be construed as

excluding additional amounts in those provisions hereof where such express mention is not made.

If the Securities of a series provide for the payment of additional amounts, at least 10 days prior to the first Interest Payment Date with respect to that series of Securities (or if the Securities of that series will not bear interest prior to Maturity, the first day on which payment of Principal is made), and at least 10 days prior to each date of payment of Principal and any interest if there has been any change with respect to the matters set forth in the below-mentioned Officers' Certificate, the Company will furnish the Trustee and the Company's Paying Agent or Paying Agents, if other than the Trustee, with an Officers' Certificate instructing the Trustee and such Paying Agent or Paying Agents whether such payment of Principal of and any interest on the Securities of that series shall be made to Holders of Securities of that series or any related coupons who are United States Aliens without withholding for or on account of any tax, assessment or other governmental charge described in the Securities of that series. If any such withholding shall be required, then such Officers' Certificate shall specify by country the amount, if any, required to be withheld on such payments to such Holders of Securities or coupons and the Company will pay to the Trustee or such Paying Agent the additional amounts required by the Securities of such series and this Section. The Company covenants to indemnify the Trustee and any Paying Agent for, and to hold them harmless against, any loss, liability or expense reasonably incurred without negligence or bad faith on their part arising out of or in connection with actions taken or omitted by any of them in reliance on any Officers' Certificate furnished pursuant to this Section.

SECTION 4.7 LIMITATION ON LIENS.

The Company shall not create, assume or suffer to exist any Lien on any Restricted Property to secure any Debt of the Company, any Subsidiary or any other person, or permit any Subsidiary so to do, without securing the Securities having the benefit of this covenant by such Lien equally and ratably with (or prior to) such Debt for so long as such Debt shall be so secured, subject to the following exceptions: (a) with respect to any series of Securities, Liens existing on the date of issuance of such series; (b) Liens on Restricted Property of corporations at the time they become Subsidiaries; (c) Liens existing on Restricted Property when acquired by the Company or any Subsidiary (including through merger or consolidation); (d) Liens to secure Debt incurred to finance the purchase price, construction, alteration, repair or improvement of Restricted Property; (e) Liens securing Debt of a Subsidiary owing to the Company or another Subsidiary; (f) Liens securing industrial development, pollution control, or similar revenue bonds or in favor of governmental bodies to secure progress, advance or other payments pursuant to any contract or provision of law; (g) Liens (i) to secure the payment of all or any part of the purchase price of any Restricted Property or the cost of construction, installation, renovation, improvement or development thereon or thereof or (ii) to secure any Debt incurred prior to, at the time of, or within 360 days after the later of the acquisition, the completion of such construction, installation,

renovation, improvement or development or the commencement of full operation of such property for the purpose of financing all or any part of the purchase price or cost thereof; (h) Liens otherwise prohibited by this Section 4.7, securing Debt which, together with the aggregate outstanding principal amount of all other Debt of the Company and its Subsidiaries owning Restricted Property which is secured by Liens that would otherwise be prohibited by this

Section 4.7 and the Value of Sale and Leaseback Transactions effected in accordance with this clause (h), does not exceed 10% of Consolidated Net Tangible Assets; and (i) any extension, renewal or refunding of any Liens referred to in the foregoing clauses; PROVIDED, HOWEVER, that in the case of this clause (i), the principal amount of debt secured thereby shall not exceed the principal amount of debt, plus any premium or fee payable in connection with any such extension, renewal, replacement or refunding, so secured at the time of such extension, renewal, replacement or refunding.

SECTION 4.8 LIMITATION ON SALE AND LEASEBACK TRANSACTIONS.

The Company shall not, and shall not permit any Subsidiary to, enter into any Sale and Leaseback Transaction unless (a) the Company or such Subsidiary would be entitled under Section 4.7 to incur Debt in a principal amount equal to the Value of such Sale and Leaseback Transaction, secured by Liens on the facilities to be leased, without equally and ratably securing the Securities having the benefit of this covenant, or (b) the Company or such Subsidiary, during the six months following the effective date of such Sale and Leaseback Transaction, applies an amount equal to the Value of such Sale and Leaseback Transaction to the acquisition of Restricted Property or to the retirement of Securities or Funded Debt, whether by redemption, defeasance, repurchase or otherwise, and after crediting to the amount applied pursuant to this provision the principal amount of any Securities or Funded Debt retired or delivered to the Trustee for retirement and cancellation during the six months immediately following the effective date of such Sale and Leaseback Transaction.

ARTICLE V

SUCCESSOR CORPORATION

SECTION 5.1 WHEN COMPANY MAY MERGE OR TRANSFER ASSETS. The Company shall not consolidate with or merge with or into any other person or convey, transfer or lease its properties and assets substantially as an entirety to any person, unless:

- (a) either (1) the Company shall be the continuing corporation or (2) the person (if other than the Company) formed by such consolidation or into which the Company is merged or the person which acquires by conveyance, transfer or lease the properties and assets of the Company substantially as an entirety (i) shall be a corporation, partnership or trust organized and validity existing under the laws of the United States or any state thereof or the District of Columbia and
- (ii) shall expressly assume, by an indenture supplemental

hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, all of the obligations of the Company under the Securities and this Indenture;

(b) immediately after giving effect to such transaction, no Default shall have occurred and be continuing; and

(c) the Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance, transfer or lease and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture, comply with this Article and that all conditions precedent herein provided for relating to such transaction have been satisfied.

The successor person formed by such consolidation or into which the Company is merged or the successor person to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of the Company under this Indenture with the same effect as if such successor had been named as the Company herein; and thereafter, except in the case of a lease of its properties and assets substantially as an entirety, the Company shall be discharged from all obligations and covenants under this Indenture, the Securities and coupons.

ARTICLE VI

DEFAULTS AND REMEDIES

SECTION 6.1 EVENTS OF DEFAULT. Unless otherwise specified as contemplated by Section 2.3(a) with respect to any series of securities, an "EVENT OF DEFAULT" occurs, with respect to each series of the Securities individually, if:

(1) the Company defaults in (a) the payment of the principal of any Security of such series at its Maturity, (b) the payment of any interest upon any Security of such series when the same becomes due and payable and continuance of such default for a period of 30 days; **PROVIDED, HOWEVER,** that Holders of 75% of the then Outstanding Securities of such series shall not have consented in accordance with Section 9.2 hereof to a postponement of such interest payment, or (c) the payment of any sinking fund or purchase fund installment or analagous obligation, if any, in respect of the Securities of such series when the same becomes due and payable and continuance of such default for a period of 30 days;

(2) the Company fails to comply with any of its agreements in the Securities or this Indenture (other than those referred to in clause (1) above and other than a covenant or warranty a default in whose performance or whose breach is elsewhere

in this Section specifically dealt with or which has been expressly included in this Indenture solely for the benefit of a series of Securities other than such series) and such failure continues for 90 days after receipt by the Company of a Notice of Default;

(3) the Company defaults under any bond, debenture, note or other evidence of indebtedness for money borrowed by the Company or under any mortgage, indenture, guaranty or instrument under which there may be issued or by which there may be secured or evidenced any indebtedness for money borrowed by the Company, whether such indebtedness now exists or shall hereafter be created, which default shall have resulted in such indebtedness becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable, without such indebtedness having been discharged or such acceleration having been rescinded or annulled within a period of 30 days after there shall have been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the Holders of not less than a majority in principal amount of the Outstanding Securities of such series a written notice specifying such default and requiring the Company to cause such indebtedness to be discharged or such acceleration to be rescinded or annulled and stating that such notice is a "Notice of Default" hereunder, PROVIDED that no Event of Default under this subsection (3) shall be deemed to exist as a result of the acceleration of any such indebtedness if the principal of and interest on such indebtedness, when added to the principal of and interest on all other such indebtedness which has been accelerated as aforesaid (excluding any such indebtedness which has been discharged or as to which the acceleration has been duly rescinded or annulled), shall not exceed \$50,000,000;

(4) there shall have been the entry by a court of competent jurisdiction of (a) a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable Bankruptcy Law or
(b) a decree or order adjudging the Company bankrupt or insolvent, or seeking reorganization, arrangement, adjustment or composition of or in respect of the Company under any applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or of any substantial part of its property, or ordering the wind up or liquidation of its affairs, and any such decree or order for relief shall continue to be in effect, or any such other decree or order shall be unstayed and in effect, for a period of 60 consecutive days;

(5) (a) the Company commences a voluntary case or proceeding under any applicable Bankruptcy Law or any other case or proceeding to be adjudicated bankrupt or insolvent, (b) the Company consents to the entry of a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable Bankruptcy Law or to the commencement of any bankruptcy or insolvency case or proceeding against it,
(c) the Company files a petition or answer or consent

seeking reorganization or substantially comparable relief under any applicable federal or state law, (d) the Company (x) consents to the filing of such petition or the appointment of, or taking possession by, a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of the Company or of any substantial part of its property,

(y) makes an assignment for the benefit of creditors or (z) admits in writing its inability to pay its debts generally as they become due or

(e) the Company takes any corporate action in furtherance of any such actions in this clause (5); or

(6) any other Event of Default provided with respect to Securities of that series.

"BANKRUPTCY LAW" means title 11, United States Code, or any similar Federal or state law for the relief of debtors. "CUSTODIAN" means any receiver, trustee, assignee, liquidator, custodian or similar official under any Bankruptcy Law.

A Default under clause (2) above is not an Event of Default until the Trustee notifies the Company, or the Holders of not less than a majority in aggregate Principal Amount of the Outstanding Securities of such series notify the Company and the Trustee, of the Default and the Company does not cure such Default within the time specified in clause (2) above after receipt of such notice. Any such notice must specify the Default, demand that it be remedied and state that such notice is a "NOTICE OF DEFAULT."

SECTION 6.2 ACCELERATION; RESCISSION. If an Event of Default with respect to Securities of any series at the time Outstanding (other than an Event of Default specified in Section 6.1(3) or (4)) occurs and is continuing, the Trustee by notice to the Company, or the Holders of not less than a majority in aggregate Principal Amount of the Outstanding Securities of that series by notice to the Company and the Trustee, may declare the Principal Amount (or, if any of the Securities of that series are Discount Securities, such portion of the Principal Amount of such Securities as may be specified in the terms thereof) of all the Securities of that series to be immediately due and payable. Upon such a declaration, such Principal (or portion thereof) shall be due and payable immediately. If an Event of Default specified in Section 6.1(3) or (4) occurs and is continuing, the Principal (or portion thereof) of all the Securities of that series shall become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Securityholders. The Holders of a majority in aggregate Principal Amount of the Outstanding Securities of any series, by notice to the Trustee (and without notice to any other Securityholder) may rescind an acceleration with respect to that series and its consequences if the rescission would not conflict with any judgment or decree and all existing Events of Default with respect to Securities of such series have been cured or waived except nonpayment of the Principal (or portion thereof) of Securities of such series that has become due solely as a result of such acceleration and if all amounts due to the Trustee under Section 7.7 have been paid. No such rescission shall affect any subsequent Default or impair any right consequent thereto.

SECTION 6.3 OTHER REMEDIES. If an Event of Default with respect to a series of Outstanding Securities occurs and is continuing, the Trustee may pursue any available remedy to (a) collect the payment of the whole amount then due and payable on such Securities for Principal and interest, with interest upon the overdue Principal and, to the extent that payment of such interest shall be legally enforceable, upon overdue installments of interest from the date such interest was due, at the rate or rates prescribed therefor in such Securities and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including amounts due the Trustee under Section 7.7 or (b) enforce the performance of any provision of the Securities or this Indenture.

The Trustee may maintain a proceeding even if the Trustee does not possess any of the Securities or coupons or does not produce any of the Securities or coupons in the proceeding. A delay or omission by the Trustee or any Securityholder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of, or acquiescence in, the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative.

SECTION 6.4 WAIVER OF PAST DEFAULTS. The Holders of a majority in aggregate Principal Amount of the Outstanding Securities of any series, by notice to the Trustee (and without notice to any other Securityholder), may on behalf of the Holders of all the Securities of such series and any related coupons waive an existing Default with respect to such series and its consequences except (1) an Event of Default described in Section 6.1(1) with respect to such series or (2) a Default in respect of a provision that under Section 9.2 cannot be amended without the consent of the Holder of each Outstanding Security of such series affected. When a Default is waived, it is deemed cured, but no such waiver shall extend to any subsequent or other Default or impair any consequent right.

SECTION 6.5 CONTROL BY MAJORITY. The Holders of a majority in aggregate Principal Amount of the Outstanding Securities of any series may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee with respect to the Securities of such series. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture or that the Trustee determines in good faith is unduly prejudicial to the rights of other Securityholders or would involve the Trustee in personal liability.

SECTION 6.6 LIMITATION ON SUITS. A Holder of any Security of any series or any related coupons may not pursue any remedy with respect to this Indenture or the Securities unless:

(1) the Holder gives to the Trustee written notice stating that an Event of Default with respect to the Securities of that series is continuing;

(2) the Holders of not less than a majority in aggregate Principal Amount of the Outstanding Securities of that series make a written request to the Trustee to pursue the remedy;

(3) such Holder or Holders offer to the Trustee reasonable security or indemnity against any loss, liability or expense satisfactory to the Trustee;

(4) the Trustee does not comply with the request within 60 days after receipt of the notice, the request and the offer of security or indemnity; and

(5) the Holders of a majority in aggregate Principal Amount of the Outstanding Securities of that series do not give the Trustee a direction inconsistent with such request during such 60-day period.

A Securityholder may not use this Indenture to prejudice the rights of any other Securityholder or to obtain a preference or priority over any other Securityholder.

SECTION 6.7 RIGHTS OF HOLDERS TO RECEIVE PAYMENT. Notwithstanding any other provision of this Indenture, the right, which is absolute and unconditional, of any Holder of any Security or coupon to receive payment of the Principal of and (subject to Section 2.13) interest on such Security or payment of such coupon on the Stated Maturity or Maturities expressed in such Security or coupon (or, in the case of redemption, on the Redemption Date) held by such Holder, on or after the respective due dates expressed in the Securities or any Redemption Date, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected adversely without the consent of each such Holder.

SECTION 6.8 COLLECTION SUIT BY TRUSTEE. If an Event of Default described in Section 6.1(1) with respect to Securities of any series occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Company for the whole amount owing with respect to such series of Securities and the amounts provided for in Section 7.7.

SECTION 6.9 TRUSTEE MAY FILE PROOFS OF CLAIM. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or any other obligor upon the Securities or the property of the Company or of such other obligor or their creditors, the Trustee (irrespective of whether the Principal of the Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Company for the payment of overdue Principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(a) to file and prove a claim for the whole amount of Principal and interest owing and unpaid in respect of the Securities and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and any other amount due the Trustee under Section 7.7) and of the Holders of Securities and coupons allowed in such judicial proceeding, and

(b) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any Custodian, receiver, assignee, trustee, liquidator, sequestrator or similar official in any such judicial proceeding is hereby authorized by each Holder of Securities and coupons to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders of Securities and coupons, to pay the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.7.

Nothing herein contained shall be deemed to authorize the Trustee or the holders of Senior Indebtedness to authorize or consent to or accept or adopt on behalf of any Holder of a Security or coupon any plan of reorganization, arrangement, adjustment or composition affecting the Securities or coupons or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder of a Security or coupon in any such proceeding.

SECTION 6.10 PRIORITIES. If the Trustee collects any money pursuant to this Article 6, it shall pay out the money in the following order and, in case of the distribution of such money on account of Principal or interest, upon presentation of the Securities or coupons, or both, as the case may be, and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: to the Trustee for amounts due under Section 7.7;

SECOND: to Securityholders for amounts due and unpaid for the Principal and interest on the Securities and interest evidenced by coupons in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities and coupons for Principal and interest, respectively; and

THIRD: the balance, if any, to the Company.

The Trustee may fix a record date and payment date for any payment to Securityholders pursuant to this Section 6.10. At least 15 days before such record date, the Company shall mail to each Securityholder and the Trustee a notice that states the record date, the payment date and amount to be paid.

SECTION 6.11 UNDERTAKING FOR COSTS. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant (other than the Trustee) in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This

Section 6.11 does not apply to a suit by the Trustee, a suit by a Holder pursuant to Section 6.7 or a suit by Holders of more than 10% in aggregate Principal Amount of the Outstanding Securities of any series, or to any suit instituted by any Holder of any Security or coupon for the enforcement of the payment of the Principal of or interest on any Security or the payment of any coupon on or after the Stated Maturity or Maturities expressed in such Security or coupon (or, in the case of redemption, on or after the Redemption Date).

SECTION 6.12 WAIVER OF STAY, EXTENSION OR USURY LAWS. The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law or any usury or other law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE VII

TRUSTEE

SECTION 7.1 DUTIES OF TRUSTEE.

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) Except during the continuance of an Event of Default with respect to Securities of any series:

(1) the Trustee need perform only those duties that are specifically set forth in this Indenture and no others; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, with respect to any certificates or opinions specifically required to be furnished to the Trustee, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture.

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(1) this paragraph (c) does not limit the effect of paragraph (b) of this Section 7.1;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(3) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.5 or exercising any trust or power conferred upon the Trustee under this Indenture.

(d) Every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b), (c) and (e) of this Section 7.1.

(e) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(f) Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall not be liable for any interest on any money received by it except as the Trustee may otherwise agree with the Company.

SECTION 7.2 RIGHTS OF TRUSTEE. (a) The Trustee may rely on any document believed by it to be genuine and to have been signed or presented by the proper person. The Trustee need not investigate any fact or matter stated in the document.

- (b) Whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate or an Opinion of Counsel. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officers' Certificate or Opinion of Counsel.
- (c) The Trustee may act through agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.
- (d) Subject to the provisions of Section 7.1 (c), the Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers.
- (e) Subject to the provisions of Section 7.1, the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, Officers' Certificate, Opinion of Counsel (or both), Company Order or any other certificate, statement, instrument, opinion report, notice, request, consent, order, bond, debenture, note, coupon, security or other paper reasonably believed to be genuine and to have been signed or presented by the proper party or parties;
- (f) any request, direction, order or demand of the Company mentioned herein shall be sufficiently evidenced by an Officers' Certificate (unless other evidence in respect thereof be herein specifically prescribed); and any resolution of the Board of Directors may be evidenced to the Trustee by a copy thereof certified by the secretary or an assistant secretary of the Company;
- (g) The Trustee may consult with counsel and any written advice or Opinion of Counsel shall, subject to the provisions of Section 7.1, be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder in good faith and in reliance thereon in accordance with such advice or Opinion of Counsel;
- (h) The Trustee shall be under no obligation to exercise any of the trusts or powers vested in it by this Indenture at the request, order or direction of any of the Securityholders pursuant to the provisions of this Indenture, unless such Securityholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred therein or thereby;
- (i) Prior to the occurrence of an Event of Default hereunder and after the curing or waiving of all Events of Default, the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, appraisal, bond, debenture, note, coupon, security

or other paper or document but the Trustee in its discretion may make such further inquiry or investigation into such matters as it reasonably sees fit; and

(j) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys not regularly in its employ and the Trustee shall not be responsible for any misconduct or negligence on the part of any such agent or attorney appointed with due care by it hereunder.

SECTION 7.3 INDIVIDUAL RIGHTS OF TRUSTEE, ETC. The Trustee in its individual or any other capacity may become the owner or pledgee of Securities or coupons and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee. Any Paying Agent, Registrar or co-registrar or any other agent of the Company may do the same with like rights. However, the Trustee must comply with Sections 7.10 and 7.11.

SECTION 7.4 TRUSTEE'S DISCLAIMER. The recitals contained herein and in the Securities, except the Trustee certificates of authentication, shall be taken as the statements of the Company, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representation as to the validity or adequacy of this Indenture or the Securities or coupons. The Trustee shall not be accountable for the Company's use of the proceeds from the Securities and, shall not be responsible for any statement in the registration statement for the Securities under the Securities Act of 1933, as amended, or in the Indenture or the Securities or any coupons (other than its certificate of authentication) or for the determination as to which beneficial owners are entitled to receive any notices hereunder.

SECTION 7.5 NOTICE OF DEFAULTS. If a Default with respect to the Securities of any series occurs and is continuing and if it is known to the Trustee, the Trustee shall give to each Holder of Securities of such series notice of such Default in the manner set forth in TIA Section 315 (b) within 90 days after it occurs. Except in the case of a Default described in Section 6.1(1) with respect to any Security of such series, the Trustee may withhold the notice if and so long as a committee of its Trust Officers in good faith determines that withholding the notice is in the interests of the Holders of Securities of such series.

SECTION 7.6 REPORTS BY TRUSTEE TO HOLDERS. Within 60 days after each May 15 beginning with the May 15 following the date of this Indenture, the Trustee shall mail to each Holder of Securities a brief report dated as of such May 15 that complies with TIA Section 313(a). The Trustee also shall comply with TIA Section 313(b) and (c).

A copy of each report at the time of its mailing to Holders of Securities shall be filed with the SEC and each stock exchange on which the Securities of that series may be listed. The Company agrees to notify the Trustee whenever the Securities of a particular series become listed on any stock exchange and of any delisting thereof.

SECTION 7.7 COMPENSATION AND INDEMNITY. The Company agrees:

(a) to pay to the Trustee from time to time reasonable compensation for all services rendered by it hereunder as agreed to between the Company and the Trustee in writing, (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(b) to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses, advances and disbursements of its agents and counsel), PROVIDED that the Company will not be required to pay such fees and expenses of separate counsel if it assumes the Trustee's defense and, in the reasonable judgment of both the Company and the Trustee, there is no conflict of interest between the Company and the Trustee in connection with such defense. The Company need not pay for any settlement made without its written consent. The Company need not reimburse any expense or indemnify against any loss or liability to the extent incurred by the Trustee through its negligence, bad faith or willful misconduct.

(c) to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of this trust, the Indenture and the Securities or the issuance of the Securities or of any series thereof and the performance of its duties hereunder including the costs and expenses of defending itself against any investigation or claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

To secure the Company's payment obligations in this Section 7.7, the Trustee shall have a lien prior to the Securities and any coupons on all money or property held or collected by the Trustee, except that held in trust to pay the Principal of or interest, if any, on particular Securities or for the payment of particular coupons.

The Company's payment obligations pursuant to this Section 7.7 shall survive the discharge or other termination of this Indenture or the resignation or removal of the Trustee. When the Trustee incurs expenses after the occurrence of a Default specified in Section 6.1(3) or (4), the expenses are intended to constitute expenses of administration under any Bankruptcy Law.

SECTION 7.8 REPLACEMENT OF TRUSTEE. The Trustee may resign by so notifying the Company; PROVIDED, HOWEVER, no such resignation shall be effective until a successor Trustee has accepted its appointment pursuant to this Section 7.8. The Holders of a majority in aggregate Principal Amount of the Outstanding Securities of any series at the time outstanding

may remove the Trustee with respect to the Securities of such series by so notifying the Trustee and may appoint a successor Trustee. The Company may remove the Trustee if:

- (1) the Trustee fails to comply with Section 7.10 or materially breaches any of its other obligations hereunder;
- (2) the Trustee is adjudged bankrupt or insolvent;
- (3) a receiver or public officer takes charge of the Trustee or its property; or
- (4) the Trustee otherwise becomes incapable of acting.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, with respect to the Securities of one or more series, the Company shall promptly appoint, by resolution of its Board of Directors, a successor Trustee with respect to the Securities of that or those series (it being understood that any such successor Trustee may be appointed with respect to the Securities of one or more or all of such series and that at any time there shall be only one Trustee with respect to the Securities of any series).

In the case of the appointment hereunder of a successor Trustee with respect to all Securities, every such successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon, subject to the rights of the retiring Trustee pursuant to

Section 7.7, the resignation or removal of the retiring Trustee shall become effective and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Holders of Securities of the particular series with respect to which such successor Trustee has been appointed. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, subject to the lien provided for in Section 7.7.

In case of the appointment hereunder of a successor Trustee with respect to the Securities of one or more (but not all) series, the Company, the retiring Trustee and each successor Trustee with respect to the Securities of one or more series shall execute and deliver an indenture supplemental hereto wherein each successor Trustee shall accept such appointment and which (1) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Trustee all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates, (2) if the retiring Trustee is not retiring with respect to all Securities, shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee, and (3) shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration

of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Trustees as co-Trustees of the same trust and that each such Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee; and upon the execution and delivery of such supplemental indenture the resignation or removal of the retiring Trustee shall become effective to the extent provided therein and each such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates; but, on request of the Company or any successor Trustee, such retiring Trustee shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to the Securities of that or those series to which the appointment of such successor Trustee relates, subject, nevertheless, to its lien, if any, provided for in Section 7.7.

If a successor Trustee with respect to the Securities of any series does not take office within 30 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Company or the Holders of a majority in aggregate Principal Amount of the Outstanding Securities of such series at the time outstanding may petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

If the Trustee fails to comply with Section 7.10, any Holder of a Security of such series may petition any court of competent jurisdiction for the removal of such Trustee and the appointment of a successor Trustee.

SECTION 7.9 SUCCESSOR TRUSTEE BY MERGER. If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another corporation, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee.

SECTION 7.10 ELIGIBILITY; DISQUALIFICATION. The Trustee shall at all times satisfy the requirements of TIA Section 310(a)(1) and 310(a)(5). The Trustee shall have a combined capital and surplus of at least \$50,000,000 as set forth in its most recent published annual report of condition. The Trustee shall comply with TIA Section 310(b), including the optional provision permitted by the second sentence of TIA Section 310(b)(9). In determining whether the Trustee has conflicting interests as defined in TIA Section 310(b)(1), the provisions contained in the proviso to TIA Section 310(b)(1) shall be deemed incorporated herein.

SECTION 7.11 PREFERENTIAL COLLECTION OF CLAIMS AGAINST COMPANY. The Trustee shall comply with TIA Section 311(a), excluding any creditor relationship listed in TIA Section 311(b). A Trustee who has resigned or been removed shall be subject to TIA Section 311(a) to the extent indicated therein.

ARTICLE VIII

SATISFACTION AND DISCHARGE

SECTION 8.1 DISCHARGE OF LIABILITY ON SECURITIES. Except as otherwise contemplated by Section 2.3(a), when (a) the Company delivers to the Trustee all Outstanding Securities or all Outstanding Securities of any series, as the case may be, theretofore authenticated and delivered and all coupons, if any, appertaining thereto (other than (i) coupons appertaining to Bearer Securities surrendered for exchange for Registered Securities and maturing after such exchange, whose surrender is not required or has been waived as provided in Section 2.8, (ii) Securities or Securities of such series, as the case may be, and coupons, if any, which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 2.9, (iii) coupons, if any, appertaining to Securities or Securities of such series, as the case may be, called for redemption and maturing after the relevant Redemption Date, whose surrender has been waived as provided in Section 3.4, and (iv) Securities or Securities of such series, as the case may be, and coupons, if any, for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust, as provided in Section 2.4) for cancellation or (b) all Outstanding Securities have become due and payable and the Company deposits with the Trustee cash sufficient to pay at Stated Maturity the Principal Amount of all Principal of and interest on Outstanding Securities or all Outstanding Securities of such series (other than Securities replaced pursuant to Section 2.9), and if in either case the Company pays all other sums payable hereunder by the Company, then this Indenture shall, subject to Section 7.7, cease to be of further effect as to all Outstanding Securities or all Outstanding Securities of any series, as the case may be. The Trustee shall join in the execution of a document prepared by the Company acknowledging satisfaction and discharge of this Indenture on demand of the Company accompanied by an Officers' Certificate and Opinion of Counsel and at the cost and expense of the Company.

SECTION 8.2 REPAYMENT TO THE COMPANY. The Trustee and the Paying Agent shall return to the Company on Company Request any money held by them for the payment of any amount with respect to the Securities that remains unclaimed for two years; PROVIDED, HOWEVER, that the Trustee or such Paying Agent, before being required to make any such return, may at the expense and direction of the Company cause to be published once in an Authorized Newspaper in each Place of Payment of or mail to each such Holder notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication or mailing, any unclaimed money then remaining will be returned to the Company. After return to the Company, Holders entitled to the money must look to the Company for payment as general creditors unless an applicable abandoned property law designates another person.

SECTION 8.3 OPTION TO EFFECT DEFEASANCE OR COVENANT DEFEASANCE. Unless otherwise specified as contemplated by Section 2.3(a) with respect to Securities of a particular

series, the Company, may at its option, by Board Resolution, at any time, with respect to any series of Securities, elect to have either Section 8.4 or

Section 8.5 be applied to all of the outstanding Securities of any series (the "Defeased Securities"), upon compliance with the conditions set forth below in Section 8.6.

SECTION 8.4 DEFEASANCE AND DISCHARGE. Upon the Company's exercise under Section 8.3 of the option applicable to this Section 8.4, the Company shall be deemed to have been discharged from its obligations with respect to the Defeased Securities on the date the conditions set forth below are satisfied (hereinafter "defeasance"). For this purpose, such defeasance means that the Company shall be deemed to have paid and discharged the entire indebtedness represented by the defeased Securities, which shall thereafter be deemed to be "outstanding" only for the purposes of Sections 2.4, 2.5, 2.6, 2.8, 2.9, 2.11, 2.12, 4.1, 4.5, 6.6, 6.7, 7.7, 7.8 and 8.2 of this Indenture and the Company shall be deemed to have satisfied all its other obligations under such series of Securities and this Indenture insofar as such series of Securities are concerned (and the Trustee, at the expense of the Company, and, upon written request, shall execute proper instruments acknowledging the same) subject to the following which shall survive until otherwise terminated or discharged hereunder: (1) the rights of Holders of such Securities to receive, solely from the trust fund described in Section 8.6 and as more fully set forth in such Section, payments in respect of the principal of and any premium and interest on such Securities when payments are due, (2) the rights, powers, trusts, duties and immunities of the Trustee hereunder and (3) this Article VIII. Subject to compliance with this Article VIII, the Company may exercise its option under this Section 8.4 notwithstanding the prior exercise of its option under Section 8.5 with respect to a series of Securities.

SECTION 8.5 COVENANT DEFEASANCE. Upon the Company's exercise under Section 8.3 of the option applicable this Section 8.5, the Company shall be released from its obligations under Sections 4.2, 4.3, 4.7 and 4.8 and Article V and such other provisions as may be provided as contemplated by Section 2.3(a) with respect to Securities of a particular series and with respect to the Defeased Securities on and after the date the conditions set forth below are satisfied (hereinafter "covenant defeasance"), and the Defeased Securities shall thereafter be deemed to be not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences if any thereof) in connection with such covenants, but shall continue to be deemed "outstanding" for all other purposes hereunder. For this purpose, such covenant defeasance means that, with respect to the Defeased Securities, the Company may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such Section or Article, whether directly or indirectly, by reason of any reference elsewhere herein to any such Section or Article or by reason of any reference in Sections 4.2, 4.3, 4.7 and 4.8 or Article V to any other provisions herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under Section 6.1(2) but, except as specified above, the remainder of this Indenture and such Defeased Securities shall be unaffected thereby.

SECTION 8.6 CONDITIONS TO DEFEASANCE OR COVENANT DEFEASANCE. The following shall be the conditions to application of either Section 8.4 or 8.5 to a series of outstanding Securities.

(a) The Company shall have irrevocably deposited with the Trustee, in trust, specifically pledged as security for, and dedicated solely to the benefits of Holders of such Securities, (i) sufficient funds in the currency or currency unit in which the Securities of such series are denominated to pay the Principal of and interest to Stated Maturity (or redemption) on, the Securities of such series, or (ii) such amount of direct obligations of, or obligations the principal of and interest on which are fully guaranteed by, the government which issued the currency in which the Securities of such series are denominated, and which are not subject to prepayment, redemption or call, as will, together with the predetermined and certain income to accrue thereon without consideration of any reinvestment thereof, provide, not later than one day before the due date of any payment, money in an amount sufficient to pay when due the Principal of, and interest to Stated Maturity (or redemption) on, the Securities of such series, or (iii) any combination thereof.

(b) (i) The Company shall have delivered to the Trustee an opinion of counsel that the Company has met all of the conditions precedent to such defeasance and that the Holders of the Securities of such series will not recognize income, gain or loss for United States Federal income tax purposes as a result of such defeasance, and will be subject to tax on the same amounts, in the same manner and at the same times as if no defeasance and discharge or covenant defeasance, as the case may be, had occurred and (ii) the Company shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent with respect to such defeasance or covenant defeasance, as the case may be, have been complied with.

ARTICLE IX

SUPPLEMENTAL INDENTURES

SECTION 9.1 SUPPLEMENTAL INDENTURES WITHOUT CONSENT OF HOLDERS. Without the consent of any Holders of Securities or coupons, the Company and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

(1) to evidence the succession of another corporation to the Company and the assumption by any such successor of the covenants of the Company herein and in the Securities; or

(2) to add to the covenants, agreements and obligations of the Company for the benefit of the Holders of all of the Securities or any series thereof, or to surrender any right or power herein conferred upon the Company; or

(3) to add to or change any of the provisions of this Indenture to provide that Bearer Securities may be registrable as to Principal, to change or eliminate any restrictions (including restrictions relating to payment in the United States) on the payment of Principal of or any premium or interest on Bearer Securities, to permit Bearer Securities to be issued in exchange for Registered Securities, to permit Bearer Securities to be issued in exchange for Bearer Securities of other authorized denominations or to permit the issuance of Securities in uncertificated form; or

(4) to establish the form or terms of Securities of any series and any related coupons as permitted by Sections 2.1 and 2.3(a), respectively; or

(5) to evidence and provide for the acceptance of appointment hereunder by a successor Trustee with respect to the Securities of one or more series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to the requirements of Section 7.8; or

(6) to cure any ambiguity, defect or inconsistency; PROVIDED that such action pursuant to this Clause (6) shall not adversely affect the interests of the Holders of Securities of any series;

(7) to add to, change or eliminate any of the provisions of this Indenture (which addition, change or elimination may apply to one or more series of Securities), PROVIDED that any such addition, change or elimination shall neither (A) apply to any Security of any series created prior to the execution of such supplemental indenture and entitled to the benefit of such provision nor (B) modify the rights of the Holder of any such Security with respect to such provision; or

(8) to secure the Securities; or

(9) to make any other change that does not adversely affect the rights of any Securityholder.

SECTION 9.2 SUPPLEMENTAL INDENTURES WITH CONSENT OF HOLDERS. With the written consent of the Holders of at least a majority in aggregate Principal Amount of the Outstanding Securities of each series affected by such supplemental indenture, the Company and the Trustee may amend this Indenture or the Securities of any series or may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of the Securities of such series and any related coupons under this Indenture; PROVIDED, that no such amendment or supplemental indenture shall, without the consent of the Holders of at least 75% of the Outstanding Securities affected thereby, extend the time for payment of any installment of interest payable with respect to

such Securities; PROVIDED, FURTHER, that no such amendment or supplemental indenture shall, without the consent of the Holder of each Outstanding Security affected thereby:

(1) change the Stated Maturity of the Principal of, or any installment of Principal on, any such Security, or reduce the Principal Amount thereof or the rate of interest thereon or any premium payable upon redemption thereof or reduce the amount of Principal of any such Discount Security that would be due and payable upon a declaration of acceleration of maturity thereof pursuant to Section 6.2, or change the Place of Payment, or change the coin or currency in which, any Principal of, or any installment of interest on, any such Security is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date);

(2) reduce the percentage in Principal Amount of the Outstanding Securities of any series, the consent of whose Holders is required for any such amendment or supplemental indenture, or the consent of whose Holders is required for any waiver (of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences) with respect to the Securities of such series provided for in this Indenture; or

(3) modify any of the provisions of this Section, Section 6.4 or 6.7, except to increase the percentage of Outstanding Securities of such series required for such actions or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Security affected thereby.

A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of one or more particular series of Securities, or which modifies the rights of the Holders of Securities of such series with respect to such covenant or other provision, shall be deemed not to affect the rights under this Indenture of the Holders of Securities of any other series.

It shall not be necessary for the consent of the Holders under this Section 9.2 to approve the particular form of any proposed amendment or supplemental indenture, but it shall be sufficient if such consent approves the substance thereof.

After an amendment or supplemental indenture under this Section 9.2 becomes effective, the Company shall mail to each Holder of the particular Securities affected thereby a notice briefly describing the amendment.

SECTION 9.3 COMPLIANCE WITH TRUST INDENTURE ACT. Every supplemental indenture executed pursuant to this Article shall comply with the TIA as then in effect.

SECTION 9.4 REVOCATION AND EFFECT OF CONSENTS, WAIVERS AND ACTIONS. Until an amendment or waiver with respect to a series of Securities becomes effective, a consent to it or any other action by a Holder of a Security of that series hereunder is a continuing consent by the Holder and every subsequent Holder of that Security or portion of that Security that evidences the same obligation as the consenting Holder's Security, even if notation of the consent, waiver or action is not made on the Security. However, any such Holder or subsequent Holder may revoke the consent, waiver or action as to such Holder's Security or portion of the Security if the Trustee receives the notice of revocation before the Company or an agent of the Company certifies to the Trustee that the consent of the requisite aggregate Principal Amount of the Securities of that series has been obtained. After an amendment, waiver or action becomes effective, it shall bind every Holder of Securities of that series.

The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to consent to any amendment or waiver with respect to a series of Securities. If a record date is fixed, then notwithstanding the first two sentences of the immediately preceding paragraph, those persons who were Holders of Securities of that series at such record date (or their duly designated proxies), and only those persons, shall be entitled to revoke any consent previously given, whether or not such persons continue to be Holders after such record date. No such consent shall be valid or effective for more than 90 days after such record date.

SECTION 9.5 NOTATION ON OR EXCHANGE OF SECURITIES. Securities of any series authenticated and delivered after the execution of any supplemental indenture with respect to such series pursuant to this Article may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Securities of such series so modified as to conform, in the opinion of the Trustee and the Board of Directors (and satisfactory to the Trustee), to any such supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Securities of that series.

SECTION 9.6 TRUSTEE TO SIGN SUPPLEMENTAL INDENTURES. The Trustee shall sign any supplemental indenture authorized pursuant to this Article 9 if the amendment does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may, but need not, sign it. In signing such amendment, the Trustee shall be entitled to receive, and (subject to the provisions of Section 7.1) shall be fully protected in relying upon, an Officers' Certificate and an Opinion of Counsel stating that such amendment is authorized or permitted by this Indenture.

SECTION 9.7 EFFECT OF SUPPLEMENTAL INDENTURES. Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all

purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder shall be bound thereby, except to the extent otherwise set forth thereon.

ARTICLE X

SINKING FUNDS

SECTION 10.1 APPLICABILITY OF ARTICLE. The provisions of this Article shall be applicable to any sinking fund for the retirement of Securities of a series, except as otherwise specified as contemplated by Section 2.3(a) for Securities of such series.

The minimum amount of any sinking fund payment provided for by the terms of Securities of any series is herein referred to as a "MANDATORY SINKING FUND PAYMENT," and any payment in excess of such minimum amount provided for by the terms of Securities of any series is herein referred to as an "OPTIONAL SINKING FUND PAYMENT." If provided for by the terms of Securities of any series, the cash amount of any sinking fund payment may be subject to reduction as provided in Section 10.2. Each sinking fund payment shall be applied to the redemption of Securities of any series as provided for by the terms of the Securities of such series.

SECTION 10.2 SATISFACTION OF SINKING FUND PAYMENTS WITH SECURITIES. The Company (1) may deliver Outstanding Securities of a series with the same issue date, interest rate and Stated Maturity (other than any previously called for redemption), together in the case of any Bearer Securities of such series with the same issue date, interest rate and Stated Maturity with all unmatured coupons appertaining thereto, and (2) may apply as a credit Securities of a series with the same issue date, interest rate and Stated Maturity which have been redeemed either at the election of the Company pursuant to the terms of such Securities or through the application of permitted optional sinking fund payments pursuant to the terms of such Securities, in each case in satisfaction of all or any part of any mandatory sinking fund payment with respect to the Securities of such series with the same issue date, interest rate and Stated Maturity; PROVIDED that such Securities have not been previously so credited. Such Securities shall be received and credited for such purpose by the Trustee at the Redemption Price specified in such Securities for redemption through operation of the sinking fund and the amount of such sinking fund payment shall be reduced accordingly.

SECTION 10.3 REDEMPTION OF SECURITIES FOR SINKING FUND. Not less than 60 days (or such shorter period as shall be acceptable to the Trustee) prior to each sinking fund payment date for any series of Securities, the Company will deliver to the Trustee an Officers' Certificate specifying the amount of the next ensuing sinking fund payment for that series pursuant to the terms of that series, the portion thereof, if any, which is to be satisfied by payment of cash and the portion thereof, if any, which is to be satisfied by delivering and crediting Securities of that series pursuant to Section 10.2 and will also deliver to the Trustee any Securities to be so delivered. Not less than 30 days before each such sinking fund

payment date the Trustee shall select the Securities to be redeemed upon such sinking fund payment date in the manner specified in Section 3.2 and cause notice of the redemption thereof to be given in the name of and at the expense of the Company in the manner provided in Section 3.3. Such notice having been duly given, the redemption of such Securities shall be made upon the terms and in the manner stated in Sections 3.4 and 3.6.

ARTICLE XI

ACTIONS OF HOLDERS OF SECURITIES

SECTION 11.1 PURPOSES FOR WHICH MEETINGS MAY BE CALLED. A meeting of Holders of Securities of any series may be called at any time and from time to time pursuant to this Article to make, give or take any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be made, given or taken by Holders of Securities of such series.

SECTION 11.2 CALL, NOTICE AND PLACE OF MEETINGS. (a) The Trustee may at any time call a meeting of Holders of Securities of any series for any purpose specified in Section 11.1, to be held at such time and at such place in the Borough of Manhattan, The City of New York or, for a series of Securities issued as Bearer Securities, in London as the Trustee shall determine or, with the approval of the Company, at any other place. Notice of every meeting of Holders of Securities of any series, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given, in the manner provided in Section 12.2, not less than 21 nor more than 180 days prior to the date fixed for the meeting.

(b) In case at any time the Company or the Holders of at least 10% in Principal Amount of the Outstanding Securities of any series shall have requested the Trustee to call a meeting of the Holders of Securities of such series for any purpose specified in Section 11.1, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have made the first publication of the notice of such meeting within 21 days after receipt of such request or shall not thereafter proceed to cause the meeting to be held as provided herein, then the Company or the Holders of Securities of such series in the amount above specified, as the case may be, may determine the time and the place in the Borough of Manhattan, The City of New York, or for a series of Securities issued as Bearer Securities, in London, or in such other place as shall be determined and approved by the Company, for such meeting and may call such meeting for such purposes by giving notice thereof as provided in subsection (a) of this Section 11.2.

SECTION 11.3 PERSONS ENTITLED TO VOTE AT MEETINGS. To be entitled to vote at any meeting of Holders of Securities of any series, a person shall be (1) a Holder of one or more Outstanding Securities of such series, or (2) a person appointed by an instrument in writing as proxy for a Holder or Holders of one or more Outstanding Securities of such series by such

Holder or Holders. The only persons who shall be entitled to be present or to speak at any meeting of Holders of Securities of any series shall be the persons entitled to vote at such meeting and their counsel, any representatives of the Trustee and its counsel and any representatives of the Company and its counsel.

SECTION 11.4 QUORUM; ACTION. The persons entitled to vote a majority in Principal Amount of the Outstanding Securities of a series shall constitute a quorum for a meeting of Holders of Securities of such series. In the absence of a quorum within 30 minutes of the time appointed for any such meeting, the meeting shall, if convened at the request of Holders of Securities of such series, be dissolved. In any other case, the meeting may be adjourned for a period determined by the chairman of the meeting prior to the adjournment of such meeting. In the absence of a quorum at any such adjourned meeting, such adjourned meeting may be further adjourned for a period determined by the chairman of the meeting prior to the adjournment of such adjourned meeting. Notice of the reconvening of any adjourned meeting shall be given as provided in

Section 11.2(a), except that such notice need be given only once not less than five days prior to the date on which the meeting is scheduled to be reconvened. Notice of the reconvening of an adjourned meeting shall state expressly the percentage, as provided above, of the principal amount of the Outstanding Securities of such series which shall constitute a quorum.

Except as limited by the proviso to Section 9.2, any resolution presented to a meeting or adjourned meeting duly reconvened at which a quorum is present as aforesaid may be adopted by the affirmative vote of the Holders of a majority in Principal Amount of the Outstanding Securities of that series; PROVIDED, HOWEVER, that, except as limited by the proviso to Section 9.2, any resolution with respect to any request, demand, authorization, direction, notice, consent, waiver or other action which this Indenture expressly provides may be made, given or taken by the Holders of a specified percentage, which is less than a majority, in Principal Amount of the Outstanding Securities of a series may be adopted at a meeting or an adjourned meeting duly reconvened and at which a quorum is present as aforesaid by the affirmative vote of the Holders of such specified percentage in Principal Amount of the Outstanding Securities of that series.

Any resolution passed or decision taken at any meeting of Holders of Securities of any series duly held in accordance with this Section shall be binding on all the Holders of Securities of such series and the related coupons, whether or not present or represented at the meeting.

SECTION 11.5 DETERMINATION OF VOTING RIGHTS; CONDUCT AND ADJOURNMENT OF MEETINGS. (a) Notwithstanding any other provisions of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Holders of Securities of a series in regard to proof of the holding of Securities of such series and of the appointment of proxies and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other

matters concerning the conduct of the meeting as it shall deem appropriate. Except as otherwise permitted or required by any such regulations, the holding of Securities shall be proved in the manner specified in Section 11.7 and the appointment of any proxy shall be proved in the manner specified in

Section 11.7 or by having the signature of the person executing the proxy witnessed or guaranteed by any trust company, bank or banker authorized by

Section 11.7 to certify to the holding of Bearer Securities. Such regulations may provide that written instruments appointing proxies, regular on their face, may be presumed valid and genuine without the proof specified in Section 11.7 or other proof.

(b) The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Company or by Holders of Securities as provided in Section 11.2 (b), in which case the Company or the Holders of Securities of the series calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the persons entitled to vote a majority in Principal Amount of the Outstanding Securities of such series represented at the meeting.

(c) At any meeting each Holder of a Security of such series or proxy shall be entitled to vote with respect to the Outstanding Securities of such series held or represented by him; PROVIDED, HOWEVER, that no vote shall be cast or counted at any meeting in respect to any Security challenged as not Outstanding and ruled by the chairman of the meeting to be not Outstanding. The chairman of the meeting shall have no right to vote, except as a Holder of a Security of such series or proxy.

(d) Any meeting of Holders of Securities of any series duly called pursuant to Section 11.2 at which a quorum is present may be adjourned from time to time by persons entitled to vote a majority in Principal Amount of the Outstanding Securities of such series represented at the meeting; and the meeting may be held as so adjourned without further notice.

SECTION 11.6 COUNTING VOTES AND RECORDING ACTION OF MEETINGS. The vote upon any resolution submitted to any meeting of Holders of Securities of any series shall be by written ballots on which shall be subscribed signatures of the Holders of Securities of such series or of their representatives by proxy and the Principal Amounts and serial numbers of the Outstanding Securities of such series held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record, at least in duplicate, of the proceedings of each meeting of Holders of Securities of any series shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was given as provided in Section 11.2 and,

if applicable, Section 11.4. Each copy shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one such copy shall be delivered to the Company, and another to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

SECTION 11.7 ACTIONS OF HOLDERS GENERALLY. (a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing. If Securities of a series are issuable as Bearer Securities, any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders of such series may, alternatively, be embodied in and evidenced by the record of Holders of Securities of such series voting in favor thereof, either in person or by proxies duly appointed in writing, at any meeting of Holders of Securities of such series duly called and held in accordance with the provisions of this Article, or a combination of such instruments and any such record. Except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments or record or both are delivered to the Trustee and, where it is hereby expressly required, to the Company. Proof of execution of any such instrument or of a writing appointing any such agent, or of the holding by any person of a Security, shall be sufficient for any purpose of this Indenture and (subject to Section 7.1) conclusive in favor of the Trustee and the Company, if made in the manner provided in this Section. The record of any meeting of Holders of Securities shall be proved in the manner provided in Section 11.6.

(b) The fact and date of the execution by any person of any such instrument or writing, or the authority of the persons executing the same, may be proved in any reasonable manner which the Trustee deems sufficient.

(c) The Principal Amount and serial numbers of Registered Securities held by the person, and the date of holding the same, shall be proved by the books of the Registrar.

(d) The Principal Amount and serial numbers of Bearer Securities held by any person, and the date of holding the same, may be proved by the production of such Bearer Securities or by a certificate executed by any trust company, bank, banker or other depository, wherever situated, as depository, if such certificate shall be deemed by the Trustee to be satisfactory, showing that at the date therein mentioned such person had on deposit with such depository, or exhibited to it, the Bearer Securities therein described; or such facts may be proved by the certificate or affidavit of the person holding such Bearer Securities, if such certificate or affidavit is deemed by the Trustee to be satisfactory. The Trustee and the Company may assume that such ownership of any Bearer Security continues until (1) another certificate or affidavit bearing a later date issued in respect of the same Bearer Security is produced, or (2) such Bearer Security is produced to the Trustee by some other person, or

(3) such Bearer Security is surrendered in exchange for a Registered Security, or (4) such Bearer Security is no longer Outstanding. The Principal Amount and serial numbers of Bearer Securities held by any person, and the date of holding the same, may also be proved in any other manner which the Trustee deems sufficient.

(e) Any request, demand, authorization, direction, notice, consent, waiver or other act of the Holder of any Security in accordance with this Section shall bind every future Holder of the same Security and the Holder of every Security issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustee or the Company in reliance thereon, whether or not notation of such action is made upon such Security.

(f) If the Company shall solicit from the Holders any request, demand, authorization, direction, notice, consent, waiver or other act in accordance with this Section, the Company may, at its option, by or pursuant to an Officers' Certificate delivered to the Trustee, fix in advance a record date for the determination of Holders entitled to give such request, demand, authorization, direction, notice, consent, waiver or such other act, but the Company shall have no obligation to do so. If such a record date is fixed, such request, demand, authorization, direction, notice, consent, waiver or other act may be given before or after such record date, but only the Holders of record at the close of business on such record date shall be deemed to be Holders for the purposes of determining whether Holders of the requisite percentage of Outstanding Securities or Outstanding Securities of a series, as the case may be, have authorized or agreed or consented to such request, demand, authorization, direction, notice, consent, waiver or other act, and for that purpose the Outstanding Securities or Outstanding Securities of the series, as the case may be, shall be computed as of such record date; PROVIDED, that no such authorization, agreement or consent by the Holders on the record date shall be deemed effective unless such request, demand, authorization, direction, notice, consent, waiver or other act shall become effective pursuant to the provisions of clause (a) of this Section 11.7 not later than six months after the record date.

ARTICLE XII

MISCELLANEOUS

SECTION 12.1 TRUST INDENTURE ACT CONTROLS. If any provision of this Indenture limits, qualifies or conflicts with another provision hereof which is required to be included in this Indenture by the TIA, the required provision shall control.

SECTION 12.2 NOTICES. Any notice or communication shall be in writing and delivered in person or mailed by first-class mail, postage prepaid; PROVIDED, that any notice or communication by and between the Trustee and the Company shall be made (i) by telecopy or other commercially accepted electronic means and shall be effective upon receipt thereof and shall be confirmed in writing, mailed by first-class mail, postage prepaid, or (ii) by

overnight delivery by a courier service of national repute effective upon receipt thereof and, in either case, addressed as follows:

if to the Company:

Tricon Global Restaurants, Inc.
1441 Gardiner Lane
Louisville, Kentucky 40213

Facsimile Number: (502) 874-8016

Attention: General Counsel

if to the Trustee:

The First National Bank of Chicago

One First National Plaza
Suite 0126
Chicago, Illinois 60670-0126
Facsimile Number: (312) 407-4656

Attention: Corporate Trust Services Division

The Company or the Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications.

Any notice or communication given to a Holder of Registered Securities shall be mailed to such Securityholder at the Securityholder's address as it appears on the registration books of the Registrar and shall be sufficiently given if so mailed within the time prescribed. Notice shall be sufficiently given to Holders of Bearer Securities if published in an Authorized Newspaper in The City of New York and in such other city or cities as may be specified in such Securities on a Business Day at least twice, the first such publication to be not earlier than the earliest date, and not later than the latest date, prescribed for the giving of such notice.

Where this Indenture provides for notice in any manner, such notice may be waived in writing by the person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Failure to mail a notice or communication to a Securityholder or any defect in it shall not affect its sufficiency with respect to other Holders of Securities of the same series. If a

notice or communication is mailed in the manner provided above, it is duly given, whether or not received by the addressee.

If the Company mails a notice or communication to the Holders of Securities of a particular series, it shall mail a copy to the Trustee and each Registrar or Paying Agent, as the case may be, with respect to such series.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give notice to Holders of Registered Securities by mail, then such notification as shall be made with the acceptance of the Trustee shall constitute a sufficient notification for every purpose hereunder. In any case where notice to Holders of Registered Securities is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder of a Registered Security shall affect the sufficiency of such notice with respect to other Holders of Registered Securities or the sufficiency of any notice to Holders of Bearer Securities given as provided herein.

In case by reason of the suspension of publication of any Authorized Newspaper or Authorized Newspapers or by reason of any other cause it shall be impracticable to publish any notice to Holders of Bearer Securities as provided above, then such notification to Holders of Bearer Securities as shall be given with the approval of the Trustee shall constitute sufficient notice to such Holders for every purpose hereunder. Neither the failure to give notice by publication to Holders of Bearer Securities as provided above, nor any defect in any notice so published, shall affect the sufficiency of any notice to Holders of Registered Securities given as provided herein.

Any request, demand, authorization, direction, notice, consent or waiver required or permitted under this Indenture shall be in the English language, except that any published notice may be in an official language of the country of publication

SECTION 12.3 COMMUNICATION BY HOLDERS WITH OTHER HOLDERS. Securityholders may communicate pursuant to TIA Section 312(b) with other Securityholders with respect to their rights under this Indenture or the Securities. The Company and the Trustee, the Registrar or the Paying Agent with respect to a particular series of Securities, and anyone else, shall have the protection of TIA Section 312(c).

SECTION 12.4 (INTENTIONALLY OMITTED).

SECTION 12.5 STATEMENTS REQUIRED IN CERTIFICATE OR OPINION. Each Officers' Certificate or Opinion of Counsel with respect to compliance with a covenant or condition provided for in this Indenture shall include:

(1) a statement that each person making such Officers' Certificate or Opinion of Counsel has read such covenant or condition;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such Officers' Certificate or Opinion of Counsel are based;

(3) a statement that, in the opinion of each such person, he has made such examination or investigation as is necessary to enable such person to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement that, in the opinion of such person, such covenant or condition has been complied with.

SECTION 12.6 SEPARABILITY CLAUSE. In case any provision in this Indenture or in the Securities shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 12.7 RULES BY TRUSTEE, PAYING AGENT AND REGISTRAR. With respect to the Securities of a particular series, the Trustee with respect to such series of Securities may make reasonable rules for action by or a meeting of Holders of such series of Securities. With respect to the Securities of a particular series, the Registrar and the Paying Agent with respect to such series of Securities may make reasonable rules for their functions.

SECTION 12.8 LEGAL HOLIDAYS. A "LEGAL HOLIDAY" is any day other than a Business Day. If any specified date (including an Interest Payment Date, Redemption Date or Stated Maturity of any Security, or a date for giving notice) is a Legal Holiday at any Place of Payment or place for giving notice, then (notwithstanding any other provision of this Indenture or of the Securities or coupons other than a provision in the Securities of any series which specifically states that such provision shall apply in lieu of this Section) payment of interest or Principal need not be made at such Place of Payment, or such other action need not be taken, on such date, but the action shall be taken on the next succeeding day that is not a Legal Holiday at such Place of Payment with the same force and effect as if made on the Interest Payment Date or Redemption Date, or at the Stated Maturity or such other date and to the extent applicable no Original Issue Discount or interest, if any, shall accrue for the intervening period.

SECTION 12.9 GOVERNING LAW AND JURISDICTION. THIS INDENTURE AND THE SECURITIES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING WITHOUT LIMITATION, NEW YORK GENERAL OBLIGATIONS LAW Sections 5-1401 AND 5-1402 AND NEW YORK CIVIL PRACTICE LAW AND RULES 327(b). THE COMPANY, THE TRUSTEE, AND EACH HOLDER OF A SECURITY (BY ACCEPTANCE THEREOF) THEREBY, (I) SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE FEDERAL AND NEW YORK STATE COURTS LOCATED IN THE BOROUGH OF MANHATTAN

IN THE CITY OF NEW YORK IN CONNECTION WITH ANY SUIT, ACTION OR PROCEEDING RELATED TO THIS INDENTURE, (II) IRREVOCABLY WAIVES ANY DEFENSE OF LACK OF PERSONAL JURISDICTION IN SUCH SUITS AND (III) IRREVOCABLY WAIVES TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO UNDER APPLICABLE LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING BROUGHT IN THE FEDERAL AND NEW YORK STATE COURTS LOCATED IN THE BOROUGH OF MANHATTAN IN THE CITY OF NEW YORK AND (C) THAT SUCH SUIT, ACTION OR PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

SECTION 12.10 NO RECOURSE AGAINST OTHERS. A director, officer, employee or stockholder, as such, of the Company shall not have any liability for any obligations of the Company under the Securities or this Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Security, each Holder of such Security shall waive and release all such liability. The waiver and release shall be part of the consideration for the issue of the Securities.

SECTION 12.11 SUCCESSORS. All agreements of the Company in this Indenture and the Securities shall bind its successor. All agreements of the Trustee in this Indenture shall bind its successor.

SECTION 12.12 EFFECT OF HEADINGS AND TABLE OF CONTENTS. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 12.13 BENEFITS OF INDENTURE. Nothing in this Indenture or in the Securities, express or implied, shall give to any person, other than the parties hereto and their successors hereunder and the Holders of Securities, any benefits or any legal or equitable right, remedy or claim under this Indenture.

SECTION 12.14 MULTIPLE ORIGINALS. The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Indenture.

IN WITNESS WHEREOF, the undersigned, being duly authorized, have executed this Indenture on behalf of the respective parties hereto as of the date first above written.

TRICON GLOBAL RESTAURANTS, INC.

By: /s/ Robert C. Lowes

Name: Robert C. Lowes
Title: Chief Financial Officer

Attest:

By: /s/ Matthew M. Preston

Name: Matthew M. Preston
Title: Senior Director-
Corporate Law

By: /s/ Sandra S. Wijnberg

Name: Sandra S. Wijnberg
Title: Senior Vice President
and Treasurer

THE FIRST NATIONAL BANK OF CHICAGO,
as Trustee

By: /s/ John R. Prendiville

Name: John R. Prendiville
Title: Vice President

Attest:

By: /s/ Steven M. Wagner

Name: Steven M. Wagner
Title: Vice President

EXHIBIT A

"CERTIFICATE

This is to certify that, based on certificates we have received from our member organizations substantially in the form set out in the Indenture relating to the above-captioned Securities, as of the date hereof, U.S.\$_____ principal amount of the above-captioned Securities acquired from Tricon Global Restaurants, Inc. (i) is owned by persons that are not United States persons (as defined below), (ii) is owned by United States persons that are (a) foreign branches of United States financial institutions (as defined in United States Treasury Regulations Section 1.165-12(c)(1)(v) ("financial institutions")) purchasing for their own account or for resale or (b) United States persons who acquired the Securities through foreign branches of United States financial institutions and who hold the Securities through such financial institutions on the date hereof (and, in the case of either clause (a) or (b), each financial institution has agreed for the benefit of Tricon Global Restaurants, Inc. to comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the United States Internal Revenue Code of 1986, as amended, and the regulations thereunder) or (iii) is owned by financial institutions for purposes of resale during the restricted period (as defined in United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)). Financial institutions described in clause (iii) of the preceding sentence (whether or not also described in clause (i) or (ii)) have certified that they have not acquired the Securities for purposes of resale directly or indirectly to United States persons or to persons within the United States or its possessions.

As used in this Certificate, "United States persons" means citizens or residents of the United States, corporations, partnerships or other entities created or organized in or under the laws of the United States or any political subdivision thereof or estates or trusts the income of which is subject to United States Federal income taxation regardless of the source; "United States" means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction; and its "possessions" include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.

We further certify that (i) we are not making available herewith for exchange any portion of the Temporary Global Bearer Security excepted in such certificates and (ii) as of the date hereof, we have not received any notification from any of our member organizations to the effect that the statements made by such member organizations with respect to any portion of the part submitted herewith for exchange are no longer true and cannot be relied upon as of the date hereof.

We understand that this certificate is required in connection with certain tax laws of the United States. In connection therewith, if administrative or legal proceedings are commenced or threatened in connection with which this certificate is or would be relevant, we irrevocably authorize you to produce this certificate to any interested party in such

proceedings. We agree to retain each statement provided by a member organization for a period of four calendar years following the year in which the statement is received.

Dated: , 20 * *To be dated no
earlier than the
Exchange Date.

**[MORGAN GUARANTY TRUST COMPANY
OF NEW YORK, BRUSSELS OFFICE,
AS OPERATOR OF THE EUROCLEAR
CLEARANCE SYSTEM]**

[CEDEL BANK SOCIETE ANONYME]

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TRICON GLOBAL RESTAURANTS, INC.

OFFICERS' CERTIFICATE

Pursuant to Section 2.1 and Section 2.3(a) of the Indenture, dated as of May 1, 1998 (the "Indenture"), between TRICON Global Restaurants, Inc., a North Carolina corporation (the "Company"), and The First National Bank of Chicago, as trustee (the "Trustee"), the undersigned Robert C. Lowes, Chief Financial Officer, and Sandra S. Wijnberg, Senior Vice President and Treasurer of the Company hereby certify on behalf of the Company as follows:

1. **AUTHORIZATION.** The establishment of two series of Securities of the Company has been approved and authorized in accordance with the provisions of the Indenture pursuant to a resolution adopted by the Board of Directors of the Company on September 22, 1997.
2. **COMPLIANCE WITH COVENANTS AND CONDITIONS PRECEDENT.** All covenants and conditions precedent provided for in the Indenture relating to the establishment of the two series of Securities have been complied with.
3. **TERMS.** The terms of the two series of Securities established pursuant to this Officers' Certificate shall be as follows:
 - (i) **TITLES.** The titles of the two series of Securities are (i) the "7.45% Senior Notes due May 15, 2005" (the "Seven-Year Notes") and (ii) the "7.65% Senior Notes due May 15, 2008" (the "Ten-Year Notes" and, together with the Seven-Year Notes, the "Notes").
 - (ii) **AGGREGATE PRINCIPAL AMOUNT.** The aggregate principal amount of each of the Seven-Year Notes and the Ten-Year Notes which may be authenticated and delivered pursuant to the Indenture (except for Notes (i) authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Notes pursuant to Sections 2.8, 2.9, 2.11, 3.6, 9.5 or 10.3 of the Indenture or (ii) which, pursuant to Section 2.4 of the Indenture, are deemed never to have been authenticated and delivered) is \$350,000,000 and \$250,000,000, respectively.
 - (iii) **REGISTERED SECURITIES IN BOOK-ENTRY FORM.** Each of the Notes will be issued in book-entry form ("Book-Entry Notes") and

represented by one or more global notes (the "Global Notes") in fully registered form, without coupons. The initial Depository with respect to the Global Notes will be The Depository Trust Company, New York, New York ("DTC"), as Depository for the accounts of its participants. So long as the Depository for a Global Note, or its nominee, is the registered owner of the Global Note, the Depository or its nominee, as the case may be, will be considered the sole owner or holder of the Notes in book-entry form represented by such Global Note for all purposes under the Indenture. Book-Entry Notes will not be exchangeable for Notes in definitive form ("Definitive Notes") except that, if the Depository with respect to any Global Note or Notes is at any time unwilling or unable to continue as Depository and a successor Depository is not appointed by the Company within 90 days, the Company will issue Definitive Notes in exchange for the Book-Entry Notes represented by any such Global Note or Notes. In addition, the Company may at any time and in its sole discretion determine not to have a Global Note or Notes, and, in such event, will issue Definitive Notes in exchange for the Book-Entry Notes represented by such Global Note or Notes in accordance with the provisions of Section 2.8 of the Indenture.

(iv) **PERSONS TO WHOM INTEREST PAYABLE.** Interest will be payable to the Person in whose name a Note is registered at the close of business (whether or not a Business Day) on the Regular Record Date with respect to such Note, except for interest payable on a Note surrendered for redemption as set forth in paragraph (viii) below.

(v) **STATED MATURITY.** The principal amounts of the Seven-Year Notes and the Ten-Year Notes will be payable on May 15, 2005 and May 15, 2008, respectively, subject to earlier redemption as set forth in paragraph (viii) below.

(vi) **RATE OF INTEREST; INTEREST PAYMENT DATES; REGULAR RECORD DATES; ACCRUAL OF INTEREST.** The Seven-Year Notes and the Ten-Year Notes will bear interest at the rate of 7.45% and 7.65%, respectively, per annum. Interest on the Notes will be payable semiannually in arrears May 15 and November 15 of each year (each, an "Interest Payment Date"), commencing on November 15, 1998. The Regular Record Date shall be April 30 or October 31 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. The Notes will bear interest from May 6, 1998 in the case of the Seven-Year Notes, and from May 5, 1998 in the case

of the Ten-Year Notes, or from the most recent Interest Payment Date to which interest has been paid or duly provided for until the principal thereof is paid or made available for payment. Interest payments shall be the amount of interest accrued from and including the most recent Interest Payment Date in respect of which interest has been paid or duly provided for (or from and including May 6, 1998 in the case of the Seven-Year Notes and from and including May 5, 1998 in the case of the Ten-Year Notes, if no interest has been paid or duly provided for with respect to such Note), to but excluding the next succeeding Interest Payment Date.

(vii) PLACE OF PAYMENT; REGISTRATION OF TRANSFER AND EXCHANGE; NOTICES TO COMPANY. Payment of the principal of and interest on the Notes will be made at the Corporate Trust Office of the Trustee in the Borough of Manhattan, The City of New York, or at any other office or agency designated by the Company for such purpose; PROVIDED, that at the option of the Company, payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the register of Securities; and PROVIDED, FURTHER, that the Holder of the Notes shall be entitled to receive payments of principal of and interest on the Notes by wire transfer of immediately available funds, if appropriate wire transfer instructions have been received in writing by the Trustee not less than 15 days prior to the applicable payment date.

The Notes may be presented for exchange and registration of transfer at the Corporate Trust Office of the Trustee in the Borough of Manhattan, The City of New York, or at the office of any transfer agent hereafter designated by the Company for such purpose. Notices and demands to or upon the Company in respect of the Notes and the Indenture may be served at TRICON Global Restaurants, Inc., 1441 Gardiner Lane, Louisville, Kentucky 40213, Attention: Treasurer.

(viii) REDEMPTION. The Notes are not entitled to any mandatory redemption or sinking fund payments. However, the notes of each series will be redeemable, at the option of the Company, in whole at any time or in part from time to time, at a Redemption Price equal to the greater of (i) 100% of the principal amount of the Notes to be redeemed and (ii) the sum of the present values of the Remaining Scheduled Payments (as defined herein) on the Notes to be redeemed discounted to the date of redemption, on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months), at

the Treasury Rate (as defined herein) plus 37.5 basis points in the case of the Seven-Year Notes and 50 basis points in the case of the Ten-Year Notes, plus, in each case accrued interest thereon to the date of redemption; PROVIDED, HOWEVER, that the installments of interest whose Stated Maturity is prior to the relevant Redemption Date shall be payable to the Holders of such Notes, or one or more Predecessor Securities, of record at the close of business on the relevant Regular Record Date.

"Comparable Treasury Issue" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Notes. "Independent Investment Banker" means one of the Reference Treasury Dealers (as defined herein) appointed by the Company.

"Comparable Treasury Price" means, with respect to any Redemption Date, (i) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third business day preceding such Redemption Date, as set forth in the daily statistical release (or any successor release) published by the Federal Reserve Bank of New York and designated "Composite 3:30 p.m. Quotations for U.S. Government Securities" or (ii) if such release (or any successor release) is not published or does not contain such prices on such business day, (A) the average of the Reference Treasury Dealer Quotations for such Redemption Date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (B) if the Trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such Quotations. "Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 5:00 p.m. on the third business day preceding such Redemption Date.

"Reference Treasury Dealer" means each of Goldman, Sachs & Co., Chase Securities Inc., Lehman Brothers Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated and their respective successors and, at the option of the

Company, additional Primary Treasury Dealers; PROVIDED, HOWEVER, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in New York City (a "Primary Treasury Dealer"), the Company shall substitute therefor another Primary Treasury Dealer.

"Remaining Scheduled Payments" means, with respect to any Note of any series, the remaining scheduled payments of the principal thereof to be redeemed and interest thereon that would be due after the related Redemption Date but for such redemption; PROVIDED, HOWEVER, that, if such Redemption Date is not an interest payment date with respect to such Note of such series, the amount of the next succeeding scheduled interest payment thereon will be reduced by the amount of interest accrued thereon to such Redemption Date.

"Treasury Rate" means, with respect to any Redemption Date, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date.

Notice of any redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each Holder of the Notes to be redeemed. Unless the Company defaults in payment of the redemption price, on and after the Redemption Date, interest will cease to accrue on the Notes or portions thereof called for redemption. If less than all of the Notes of a series are to be redeemed, the Notes (or portions thereof) to be redeemed shall be selected by the Trustee by such method as the Trustee shall deem fair and appropriate.

(ix) DENOMINATIONS. The Notes are issuable in denominations of \$1,000 and integral multiples thereof.

(x) SECURITY REGISTER; PAYING AGENT. The register of Securities for the Notes will be initially maintained at the Corporate Trust Office of the Trustee. The Company hereby appoints the Trustee as the initial Paying Agent.

(xi) FORM. The Seven-Year Notes and the Ten-Year Notes will be in substantially the forms set forth in Exhibits A and B, respectively, attached hereto and may have such other terms as are provided in such forms.

Capitalized terms used in this Officers' Certificate and not otherwise defined herein shall have the meanings set forth in the Indenture.

Each of the undersigned, for himself or herself, states that he or she has read and is familiar with the provisions of Article Two of the Indenture relating to the establishment of a series of Securities thereunder and the establishment of a form of Security representing a series of Securities thereunder and, in each case, the definitions therein relating thereto; that he or she is generally familiar with the other provisions of the Indenture and with the affairs of the Company and its acts and proceedings and that the statements and opinions made by him or her in this Certificate are based upon such familiarity; and that he or she has made such examination or investigation as is necessary to enable him or her to determine whether or not the covenants and conditions referred to above have been complied with; and in his or her opinion, such covenants and conditions have been complied with.

Insofar as this Certificate relates to legal matters it is based upon the Opinion of Counsel delivered to the Trustee contemporaneously herewith pursuant to Section 2.4 of the Indenture and relating to the Notes.

IN WITNESS WHEREOF, the undersigned have hereunto signed this Certificate on behalf of the Company as of this 30th day of April, 1998.

TRICON GLOBAL RESTAURANTS, INC.

By: /s/ Robert C. Lowes

Name: Robert C. Lowes
Title: Chief Financial Officer

By: /s/ Sandra S. Wijnberg

Name: Sandra S. Wijnberg
Title: Senior Vice President
and Treasurer

EXHIBIT A

Form of Seven-Year Note

Unless and until it is exchanged in whole or in part for Notes in definitive form, this Note may not be transferred except as a whole by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository or by the Depository or any such nominee to a successor Depository or a nominee of such successor Depository. Unless this certificate is presented by an authorized representative of The Depository Trust Company, New York, New York ("DTC") to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of DTC and any payment is made to Cede & Co. or such other entity as is requested by an authorized representative of DTC, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

REGISTERED TRICON GLOBAL RESTAURANTS, INC. REGISTERED

7.45% SENIOR NOTE DUE MAY 15, 2005

NO. R- Principal Amount: \$

CUSIP: 895953 AA 5

TRICON Global Restaurants, Inc., a corporation duly organized and existing under the laws of the State of North Carolina (herein referred to as the "Company," which term includes any successor corporation under the Indenture as hereinafter referred to) for value received, hereby promises to pay to Cede & Co., or registered assigns, the principal sum of DOLLARS, on May 15, 2005 and to pay interest thereon from May 6, 1998 or from the most recent Interest Payment Date to which interest has been paid or duly provided for semiannually in arrears on May 15 and November 15, in each year, commencing on November 15, 1998 at the rate of 7.45% per annum, until the principal hereof is paid or made available for payment. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture (as defined herein), be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date, which shall be the April 30 or October 31 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Except as otherwise provided in the Indenture, any such interest not punctually paid or duly provided for on any Interest Payment Date (herein called "Defaulted Interest") will forthwith cease to be payable to the Holder on the Regular Record Date with respect to such Interest Payment Date and may either be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice of which shall be given to Holders of Notes not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture. Payment of the principal and interest on this Note will be made at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, The City of New York, and at any other office or agency maintained by the Company for such purpose, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; PROVIDED, HOWEVER, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the

register of Securities; and PROVIDED, FURTHER, that the Holder of this Note shall be entitled to receive payments of principal of and interest on this Note by wire transfer of immediately available funds, if appropriate wire transfer instructions have been received in writing by the Trustee not less than 15 days prior to the applicable payment date.

Reference is hereby made to the further provisions of this Note set forth herein, which further provisions shall for all proposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee or its duly appointed co-authenticating agent by manual signature, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, TRICON Global Restaurants, Inc. has caused this instrument to be signed by the manual signature of its Chairman of the Board, one of its Vice Chairmen, its President or one of its Vice Presidents, or the Treasurer or any Assistant Treasurer, under its corporate seal reproduced thereon attested by its Secretary or one of its Assistant Secretaries.

TRICON GLOBAL RESTAURANTS, INC.

(SEAL)

By:

Name:

Title:

ATTEST:

By: _____
Name:
Title:

By: _____
Name:
Title:

Dated: May 6, 1998

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Notes of the series designated herein referred to in the within-mentioned Indenture.

THE FIRST NATIONAL BANK OF CHICAGO, as Trustee

By:

Authorized Signatory

TRICON GLOBAL RESTAURANTS, INC.
7.45% SENIOR NOTE DUE MAY 15, 2005

This Note is one of a duly authorized issue of securities (herein called the "Securities") of the Company (which term includes any successor corporation under the Indenture hereinafter referred to), issued and to be issued pursuant to such Indenture. This Note is one of a series designated by the Company as its 7.45% Senior Notes due May 15, 2005, limited in aggregate principal amount to \$350,000,000. The Indenture does not limit the aggregate principal amount of the Securities.

The Company issued this Note pursuant to an Indenture, dated as of May 1, 1998 (herein called the "Indenture"), between the Company and The First National Bank of Chicago, as Trustee (herein called the "Trustee," which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Notes and of the terms upon which the Notes are, and are to be, authenticated and delivered.

The Notes are issuable in registered form, without coupons, in denominations of \$1,000 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, the Notes are exchangeable for a like aggregate principal amount of Notes of like tenor of any authorized denomination, as requested by the Holder surrendering the same, upon surrender of the Note or Notes to be exchanged at any office or agency described below where the Notes may be presented for registration of transfer.

The Notes are not entitled to any mandatory redemption or sinking fund payments. However, the Notes are redeemable, at the option of the Company, in whole at any time or in part from time to time, on at least 30 but no more than 60 days prior written notice mailed to DTC, at a Redemption Price equal to the greater of (i) 100% of the principal amount of the Notes and (ii) the sum of the present values of the Remaining Scheduled Payments (as defined herein) on the Notes discounted to the date of redemption, on a semiannual basis, at the Treasury Rate (as defined herein) plus 37.5 basis points plus accrued interest thereon to the date of redemption. Interest on the Notes shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

If money sufficient to pay the Redemption Price of and accrued interest on all Notes (or portions thereof) is deposited with the Trustee on or before the Redemption Date and certain other conditions are satisfied, on and after such date interest will cease to accrue on the Notes (or such portions thereof) called for redemption.

"Comparable Treasury Issue" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes. "Independent Investment Banker" means one of the Reference Treasury Dealers (as defined herein) appointed by the Company.

"Comparable Treasury Price" means, with respect to any Redemption Date, (i) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third business day preceding such Redemption Date, as set forth in the daily statistical release (or any successor release) published by the Federal Reserve Bank of New York and designated "Composite 3:30 p.m. Quotations for U.S. Government Securities" or (ii) if such release (or any successor release) is not published or does not contain such prices on such business day, (A) the average of the Reference Treasury Dealer Quotations for such Redemption Date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (B) if the Trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such Quotations. "Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 5:00 p.m. on the third business day preceding such Redemption Date.

"Reference Treasury Dealer" means each of Goldman, Sachs & Co., Chase Securities Inc., Lehman Brothers Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated and their respective successors and, at the option of the Company, additional Primary Treasury Dealers; PROVIDED, HOWEVER, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in New York City (a "Primary Treasury Dealer"), the Company shall substitute therefor another Primary Treasury Dealer.

"Remaining Scheduled Payments" means the remaining scheduled payments of the principal of and interest on the Notes that would be due after the related Redemption Date but for such redemption; PROVIDED, HOWEVER, that, if such Redemption Date is not an interest payment date with respect to such Notes, the amount of the next succeeding scheduled interest payment thereon will be reduced by the amount of interest accrued thereon to such Redemption Date.

"Treasury Rate" means, with respect to any Redemption Date, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date.

Notwithstanding the foregoing, installments of interest whose Stated Maturity is prior to the Redemption Date of any Note will be payable to the Holder of such Note, or one or more Predecessor Securities, of record at the close of business on the relevant Regular Record Date referred to above, all as provided in the Indenture.

All notices of redemption shall state the Redemption Date, the Redemption Price, if fewer than all the Outstanding Notes are to be redeemed, the identification (and, in the case of partial redemption, the principal amounts) of the particular Notes to be redeemed, that on the Redemption Date the Redemption Price will become due and payable upon each Note, or portion thereof, to be redeemed, that interest on each Note, or portion thereof, called for redemption will cease to accrue on the Redemption Date and the place or places where Notes may be surrendered for redemption. If fewer than all of the Notes are to be redeemed at any time, selection of such Notes for redemption will be made by the Trustee by such method as the Trustee shall deem fair and appropriate.

In the event of redemption of this Note in part only, a new Note or Notes of like tenor for the unredeemed portion hereof will be issued in authorized denominations in the name of the Holder hereof upon the cancellation hereof.

For all purposes of this Note and the Indenture, unless the context otherwise requires, all provisions relating to the redemption by the Company of this Note shall relate, in the case that this Note is redeemed or to be redeemed by the Company only in part to that portion of the principal amount of this Note that has been or is to be redeemed.

If an Event of Default with respect to the Notes shall occur and be continuing, the principal of all the Notes may be declared due and payable in the manner and with the effect provided in the Indenture. Holders of Notes may not enforce their rights pursuant to the Indenture or the Notes except as provided in the Indenture.

The Indenture permits, in certain circumstances therein specified, the amendment thereof without the consent of the Holders of the Securities. The Indenture also permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations under the Indenture of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in aggregate principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of a majority in aggregate principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all the Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

No reference herein to the Indenture and no provision of this Note or, subject to the provisions for satisfaction and discharge in Article Eight, of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place and rate, and in the coin or currency, herein prescribed.

The Indenture permits the Company, by irrevocably depositing, in amounts and maturities sufficient to pay and discharge at the Stated Maturity or Redemption Date, as the case may be, the entire indebtedness on all Outstanding Notes, cash or direct obligations of, or obligations the principal of and interest on which are fully guaranteed by, the United States government, and which are not subject to prepayment, redemption or call, with the Trustee in trust solely for the benefit of the Holders of all Outstanding Notes, to defease the Indenture with respect to such Notes, and upon such deposit the Company shall be deemed to have paid and discharged its entire indebtedness on such Notes. Thereafter, Holders would be able to look only to such trust fund for payment of principal and interest at the Stated Maturity or Redemption Date, as the case may be. The Indenture also permits, in certain circumstances therein specified, the Company to be released from certain of its obligations under the Indenture on the terms and subject to the conditions therein provided.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Note is registrable in the register of Securities, upon surrender of this Note for registration of transfer at the office or agency of the Company in the Borough of Manhattan, The City of New York, or at such other offices or agencies as the Company may designate, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Notes of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

No service charge shall be made by the Company, the Trustee or the Registrar for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax, assessment or other governmental charge payable in connection therewith (other than exchanges pursuant to Sections 2.11, 3.6 or 9.5 of the Indenture, not involving any transfer).

Prior to due presentment of this Note for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Note is registered as the owner hereof for all purposes, whether or not this Note be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

The Indenture and the Notes shall be governed by and construed in accordance with the laws of the State of New York of the United States of America, including without limitation, New York General Obligations Law Sections 5-1401 and 5-1402 and New York Civil Practice Law and Rules 327.

All undefined terms used in this Note which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common	UNIF GIFT MIN ACT	----- Custodian -----
		(Cust.) (Minor)
TEN ENT - as tenants by the entireties		
JT TEN - as joint tenants with right of survivorship and not as tenants in common		Under Uniform Gifts to Minor Act
		(State)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, the undersigned hereby sells(s), assign(s) and transfer(s) unto

Please Insert Social Security or Employer Identification number of assignee

Please Print or Typewrite Name and Address
Including Postal Zip Code of Assignee

the within Security and all rights thereunder, hereby irrevocably constituting and appointing _____ attorney to transfer said Security on the books of the Company, with full power of substitution in the premises.

Dated: _____
Signature

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever.

EXHIBIT B

Form of Ten-Year Note

Unless and until it is exchanged in whole or in part for Notes in definitive form, this Note may not be transferred except as a whole by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository or by the Depository or any such nominee to a successor Depository or a nominee of such successor Depository. Unless this certificate is presented by an authorized representative of The Depository Trust Company, New York, New York ("DTC") to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of DTC and any payment is made to Cede & Co. or such other entity as is requested by an authorized representative of DTC, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

REGISTERED TRICON GLOBAL RESTAURANTS, INC. REGISTERED

7.65% SENIOR NOTE DUE MAY 15, 2008

NO. R- Principal Amount: \$

CUSIP: 895953 AB 3

TRICON Global Restaurants, Inc., a corporation duly organized and existing under the laws of the State of North Carolina (herein referred to as the "Company," which term includes any successor corporation under the Indenture as hereinafter referred to) for value received, hereby promises to pay to Cede & Co., or registered assigns, the principal sum of DOLLARS, on May 15, 2008 and to pay interest thereon from May 5, 1998 or from the most recent Interest Payment Date to which interest has been paid or duly provided for semiannually in arrears on May 15 and November 15, in each year, commencing on November 15, 1998 at the rate of 7.65% per annum, until the principal hereof is paid or made available for payment. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture (as defined herein), be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date, which shall be the April 30 or October 31 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Except as otherwise provided in the Indenture, any such interest not punctually paid or duly provided for on any Interest Payment Date (herein called "Defaulted Interest") will forthwith cease to be payable to the Holder on the Regular Record Date with respect to such Interest Payment Date and may either be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice of which shall be given to Holders of Notes not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture. Payment of the principal and interest on this Note will be made at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, The City of New York, and at any other office or agency maintained by the Company for such purpose, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; PROVIDED, HOWEVER, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the

register of Securities; and PROVIDED, FURTHER, that the Holder of this Note shall be entitled to receive payments of principal of and interest on this Note by wire transfer of immediately available funds, if appropriate wire transfer instructions have been received in writing by the Trustee not less than 15 days prior to the applicable payment date.

Reference is hereby made to the further provisions of this Note set forth herein, which further provisions shall for all proposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee or its duly appointed co-authenticating agent by manual signature, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, TRICON Global Restaurants, Inc. has caused this instrument to be signed by the manual signature of its Chairman of the Board, one of its Vice Chairmen, its President or one of its Vice Presidents, or the Treasurer or any Assistant Treasurer, under its corporate seal reproduced thereon attested by its Secretary or one of its Assistant Secretaries.

TRICON GLOBAL RESTAURANTS, INC.

(SEAL)

By:

Name:

Title:

ATTEST:

By: _____

Name:
Title:

By: _____

Name:
Title:

Dated: May 5, 1998

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Notes of the series designated herein referred to in the within-mentioned Indenture.

THE FIRST NATIONAL BANK OF CHICAGO, as Trustee

By:

Authorized Signatory

TRICON GLOBAL RESTAURANTS, INC.
7.65% SENIOR NOTE DUE MAY 15, 2008

This Note is one of a duly authorized issue of securities (herein called the "Securities") of the Company (which term includes any successor corporation under the Indenture hereinafter referred to), issued and to be issued pursuant to such Indenture. This Note is one of a series designated by the Company as its 7.65% Senior Notes due May 15, 2008, limited in aggregate principal amount to \$250,000,000. The Indenture does not limit the aggregate principal amount of the Securities.

The Company issued this Note pursuant to an Indenture, dated as of May 1, 1998 (herein called the "Indenture"), between the Company and The First National Bank of Chicago, as Trustee (herein called the "Trustee," which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Notes and of the terms upon which the Notes are, and are to be, authenticated and delivered.

The Notes are issuable in registered form, without coupons, in denominations of \$1,000 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, the Notes are exchangeable for a like aggregate principal amount of Notes of like tenor of any authorized denomination, as requested by the Holder surrendering the same, upon surrender of the Note or Notes to be exchanged at any office or agency described below where the Notes may be presented for registration of transfer.

The Notes are not entitled to any mandatory redemption or sinking fund payments. However, the Notes are redeemable, at the option of the Company, in whole at any time or in part from time to time, on at least 30 but no more than 60 days prior written notice mailed to DTC, at a Redemption Price equal to the greater of (i) 100% of the principal amount of the Notes and (ii) the sum of the present values of the Remaining Scheduled Payments (as defined herein) on the Notes discounted to the date of redemption, on a semiannual basis, at the Treasury Rate (as defined herein) plus 50 basis points plus accrued interest thereon to the date of redemption. Interest on the Notes shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

If money sufficient to pay the Redemption Price of and accrued interest on all Notes (or portions thereof) is deposited with the Trustee on or before the Redemption Date and certain other conditions are satisfied, on and after such date interest will cease to accrue on the Notes (or such portions thereof) called for redemption.

"Comparable Treasury Issue" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes. "Independent Investment Banker" means one of the Reference Treasury Dealers (as defined herein) appointed by the Company.

"Comparable Treasury Price" means, with respect to any Redemption Date, (i) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third business day preceding such Redemption Date, as set forth in the daily statistical release (or any successor release) published by the Federal Reserve Bank of New York and designated "Composite 3:30 p.m. Quotations for U.S. Government Securities" or (ii) if such release (or any successor release) is not published or does not contain such prices on such business day, (A) the average of the Reference Treasury Dealer Quotations for such Redemption Date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (B) if the Trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such Quotations. "Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 5:00 p.m. on the third business day preceding such Redemption Date.

"Reference Treasury Dealer" means each of Goldman, Sachs & Co., Chase Securities Inc., Lehman Brothers Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated and their respective successors and, at the option of the Company, additional Primary Treasury Dealers; PROVIDED, HOWEVER, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in New York City (a "Primary Treasury Dealer"), the Company shall substitute therefor another Primary Treasury Dealer.

"Remaining Scheduled Payments" means the remaining scheduled payments of the principal of and interest on the Notes that would be due after the related Redemption Date but for such redemption; PROVIDED, HOWEVER, that, if such Redemption Date is not an interest payment date with respect to such Notes, the amount of the next succeeding scheduled interest payment thereon will be reduced by the amount of interest accrued thereon to such Redemption Date.

"Treasury Rate" means, with respect to any Redemption Date, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date.

Notwithstanding the foregoing, installments of interest whose Stated Maturity is prior to the Redemption Date of any Note will be payable to the Holder of such Note, or one or more Predecessor Securities, of record at the close of business on the relevant Regular Record Date referred to above, all as provided in the Indenture.

All notices of redemption shall state the Redemption Date, the Redemption Price, if fewer than all the Outstanding Notes are to be redeemed, the identification (and, in the case of partial redemption, the principal amounts) of the particular Notes to be redeemed, that on the Redemption Date the Redemption Price will become due and payable upon each Note, or portion thereof, to be redeemed, that interest on each Note, or portion thereof, called for redemption will cease to accrue on the Redemption Date and the place or places where Notes may be surrendered for redemption. If fewer than all of the Notes are to be redeemed at any time, selection of such Notes for redemption will be made by the Trustee by such method as the Trustee shall deem fair and appropriate.

In the event of redemption of this Note in part only, a new Note or Notes of like tenor for the unredeemed portion hereof will be issued in authorized denominations in the name of the Holder hereof upon the cancellation hereof.

For all purposes of this Note and the Indenture, unless the context otherwise requires, all provisions relating to the redemption by the Company of this Note shall relate, in the case that this Note is redeemed or to be redeemed by the Company only in part to that portion of the principal amount of this Note that has been or is to be redeemed.

If an Event of Default with respect to the Notes shall occur and be continuing, the principal of all the Notes may be declared due and payable in the manner and with the effect provided in the Indenture. Holders of Notes may not enforce their rights pursuant to the Indenture or the Notes except as provided in the Indenture.

The Indenture permits, in certain circumstances therein specified, the amendment thereof without the consent of the Holders of the Securities. The Indenture also permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations under the Indenture of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in aggregate principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of a majority in aggregate principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all the Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

No reference herein to the Indenture and no provision of this Note or, subject to the provisions for satisfaction and discharge in Article Eight, of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place and rate, and in the coin or currency, herein prescribed.

The Indenture permits the Company, by irrevocably depositing, in amounts and maturities sufficient to pay and discharge at the Stated Maturity or Redemption Date, as the case may be, the entire indebtedness on all Outstanding Notes, cash or direct obligations of, or obligations the principal of and interest on which are fully guaranteed by, the United States government, and which are not subject to prepayment, redemption or call, with the Trustee in trust solely for the benefit of the Holders of all Outstanding Notes, to defease the Indenture with respect to such Notes, and upon such deposit the Company shall be deemed to have paid and discharged its entire indebtedness on such Notes. Thereafter, Holders would be able to look only to such trust fund for payment of principal and interest at the Stated Maturity or Redemption Date, as the case may be. The Indenture also permits, in certain circumstances therein specified, the Company to be released from certain of its obligations under the Indenture on the terms and subject to the conditions therein provided.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Note is registrable in the register of Securities, upon surrender of this Note for registration of transfer at the office or agency of the Company in the Borough of Manhattan, The City of New York, or at such other offices or agencies as the Company may designate, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Notes of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

No service charge shall be made by the Company, the Trustee or the Registrar for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax, assessment or other governmental charge payable in connection therewith (other than exchanges pursuant to Sections 2.11, 3.6 or 9.5 of the Indenture, not involving any transfer).

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The Indenture and the Notes shall be governed by and construed in accordance with the laws of the State of New York of the United States of America, including without limitation, New York General Obligations Law Sections 5-1401 and 5-1402 and New York Civil Practice Law and Rules 327.

All undefined terms used in this Note which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

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The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common	UNIF GIFT MIN ACT	----- Custodian -----
		(Cust.) (Minor)
TEN ENT - as tenants by the entireties		
JT TEN - as joint tenants with right of survivorship and not as tenants in common		Under Uniform Gifts to Minor Act
		(State)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, the undersigned hereby sells(s), assign(s) and transfer(s) unto

Please Insert Social Security or Employer Identification number of assignee

Please Print or Typewrite Name and Address
Including Postal Zip Code of Assignee

the within Security and all rights thereunder, hereby irrevocably constituting and appointing _____ attorney to transfer said Security on the books of the Company, with full power of substitution in the premises.

Dated: _____
Signature

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever.

End of Filing



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