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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported) September 17, 2014**

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**Air Products and Chemicals, Inc.**

(Exact Name of Registrant as Specified in Charter)

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**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**1-4534**  
(Commission  
File Number)

**23-1274455**  
(IRS Employer  
Identification No.)

**7201 Hamilton Boulevard, Allentown, Pennsylvania**  
(Address of Principal Executive Offices)

**18195-1501**  
(Zip Code)

**(610) 481-4911**  
Registrant's telephone number, including area code

**not applicable**  
(Former Name or Former Address, if Changed Since Last Report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (See General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Certain Officers; Compensatory Plans.

On September 17, 2014 the Board of Directors of Air Products and Chemicals Inc, (the “Company”) amended the Company’s Long Term Incentive Plan (the “Plan”) to provided for “double trigger” vesting of future plan awards upon a change in control of the Company instead of automatic vesting on an accelerated basis upon a change in control (“single trigger vesting”). Future awards under the Plan will not automatically vest on an accelerated basis as a result of a change in control if they are replaced by the surviving entity. For the double trigger provisions to apply: the replacement awards must be issued by a publicly listed company and preserve the value of, and be on terms as favorable as the existing award; performance conditioned awards must be replaced by time based vesting awards; and the replacement awards must provide that, if the participant is terminated without Cause (as defined in the Plan) or voluntarily terminates for Good Reason (as defined in the Plan) within 24 months following the change in control, the award will vest immediately upon termination. The amendments also provide that, pursuant to an agreement associated with a change in control or in the discretion of the Board of Directors or an appropriate committee thereof in connection with a change in control, awards may be settled for cash at the change in control price.

The foregoing description of the Plan is qualified in its entirety by reference to the full text of the Plan, which is filed as Exhibit 10.1 to this current report on Form 8-K and is incorporated by reference herein.

The Management Development and Compensation Committee of the Board of Directors (the “Committee”) approved conforming changes to the Company’s change in control severance agreements with executive officers. Upon their expiration on September 30, 2015, existing executive officer change in control severance agreements will be replaced with new agreements which remove the current single trigger equity compensation vesting provisions and conform the treatment of equity upon a change in control to the Plan provisions described above. In addition, any new executive officer change in control severance agreements entered into by the Company in connection with a recruitment or promotion on or after October 1, 2014 will conform the treatment of equity compensation upon a change in control to the new Plan provisions.

The Committee also determined that replacement executive officer change in control severance agreements will no longer preserve a grandfather provision for gross up of excise taxes under section 280G of the Internal Revenue Code. The Committee discontinued providing such gross ups in agreements entered in 2010 or later, but previously entered agreements were grandfathered.

The foregoing description of the executive officer change in control severance agreements is qualified in its entirety by reference to the full text of the Form of Executive Officer Change in Control Severance Agreement, which is filed as Exhibit 10.2 to this current report on Form 8-K and is incorporated by reference herein.

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**Item 9.01. Financial Statements and Exhibits**

d. Exhibits

10.1 Air Products and Chemicals, Inc. Long-Term Incentive Plan

10.2 Form of Executive Officer Change in Control Severance Agreement



Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
10.1	Air Products and Chemicals, Inc. Long-Term Incentive Plan
10.2	Form of Executive Officer Change in Control Severance Agreement

**AIR PRODUCTS AND CHEMICALS, INC.**  
**LONG-TERM INCENTIVE PLAN**

Amended and Restated as of  
October 1, 2014

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## 1. Purposes of the Plan

The purposes of this Plan are: (i) to provide long-term incentives to those executives or other key employees who are either in a position to contribute to the long-term success and growth of Air Products and Chemicals, Inc. (the “Company”) and Participating Subsidiaries, or who have high potential for assuming greater levels of responsibility or who have demonstrated their critical importance to the operation of their organizational unit; (ii) to assist the Company and Participating Subsidiaries in attracting and retaining nonemployee directors (“Eligible Directors”), executives and other key employees with experience and ability; and (iii) to associate more closely the interests of such directors, executives and other key employees with those of the Company’s shareholders.

## 2. Administration of the Plan

(a) *Employee Awards.* With regard to Plan Awards granted to employees (“Employee Awards”), the Plan shall be administered by the Management Development and Compensation Committee of the Company’s Board of Directors (the “Board”) or such other committee thereof consisting of such members (not less than three) of the Board as are appointed from time to time by the Board (the “Committee”), each of the members of which, at the time of any action under the Plan, shall be (i) a “non-employee director” as then defined under Rule 16b-3 under the Act (or meeting comparable requirements of any successor rule relating to exemption from Section 16(b) of the Act), (ii) an “outside director” as then defined under Code Section 162(m) and (iii) an “independent director” as then defined under the rules of the New York Stock Exchange (or meeting comparable requirements of any stock exchange on which the Company’s Common Stock may then be listed).

(b) *Director Awards.* With regard to Plan Awards granted to Eligible Directors (“Director Awards”), the Plan shall be administered by the Board.

(c) *Powers of the Committee and Board.* As used herein, the term “Administrator” shall mean the Committee with respect to Employee Awards and the Board with respect to Director Awards. The Administrator shall have all necessary powers to administer and interpret the Plan, including authority to adopt such rules, regulations, agreements, and instruments for the administration of the Plan as the Administrator deems necessary or advisable. The Administrator’s interpretations of the Plan and all action taken and determinations made by the Administrator pursuant to the powers vested in it hereunder shall be conclusive and binding on all parties concerned, including the Company, its shareholders and any director or employee of the Company or any Subsidiary.

(i) Powers of the Committee include exclusive authority (within the limitations described and except as otherwise provided in the Plan) to select the employees or determine classes of employees to be granted Awards under the Plan; to determine the aggregate amount, type, terms, and conditions applicable to the Awards to be made to eligible employees and shares of Common Stock issued pursuant thereto; and to determine the time when Awards will be granted. The Committee may take into consideration recommendations from the appropriate officers of the Company and of

each Participating Subsidiary with respect to making the foregoing determinations as to Plan awards, administration, and interpretation. Notwithstanding any other provision of the Plan to the contrary, the Committee may delegate to appropriate Company officers its authority to take all final action with respect to granting and administering Plan Awards granted to Participants who are at the time of such action not members of the Board or “officers” within the meaning of Rule 16a-1(f) of the Act, including without limitation selecting executives and key employees to whom such Awards will be granted; determining the amount of any such Awards to be made; and taking all action on behalf of the Company with respect to administering, vesting of, and paying such Awards; provided, however, that (i) all such Awards shall be granted within the limitations and subject to the terms and conditions required by the Plan and established by the Committee and subject to the Committee’s interpretations of the Plan; (ii) the aggregate of such Awards granted under the Plan for or with respect to a given Fiscal Year shall not, when added to the Awards approved by the Committee for granting to individuals who are “officers” within the meaning of Rule 16a-1(f) of the Act for or with respect to the same Fiscal Year, exceed the total amount of Awards approved by the Committee for or with respect to such Fiscal Year; (iii) only the Committee may grant Awards of restricted or unrestricted shares; and (iv) any action with respect to such Awards taken because of or in connection with a Change in Control of the Company or as contemplated by Section 12 shall be taken by the Committee. With respect to matters delegated in accordance with the foregoing, the term “Committee” as used herein shall mean the delegate.

(ii) The Board has exclusive authority to determine the amount, type, timing, terms, and conditions of Awards to be provided to Eligible Directors under the Plan by resolution, including by adoption of programs specifying timing, amounts, terms, and conditions of Plan Awards to be made annually or otherwise regularly without further action by it. The Corporate Governance and Nominating Committee shall recommend to the Board the amount, type, timing, terms, and conditions of grants to Eligible Directors. Notwithstanding any provision of the Plan to the contrary, the Board may delegate to appropriate Company officers or to a Committee of the Board authority to take all final action with respect to granting and administering Plan awards to Eligible Directors, including administering and taking all action on behalf of the Company with respect to vesting and payment of Awards. With respect to matters so delegated, the term “Board,” as used herein, shall mean the delegate.

### **3. Eligibility for Participation**

Participation in the Plan shall be limited to (i) Eligible Directors and (ii) executives or other key employees (including officers and directors who are also employees) of the Company and its Participating Subsidiaries selected on the basis of such criteria as the Committee may determine. As used herein, the term “employee” shall mean any person employed full time or part time by the Company or a Participating Subsidiary on a salaried basis, and the term “employment” shall mean full-time or part-time salaried employment by the Company or a Subsidiary.



#### 4. Shares of Stock Subject to the Plan

(a) The shares that may be subject to Awards granted under the Plan on or after January 24, 2013 shall not exceed in the aggregate 4,000,000 shares of Common Stock, plus the sum of (i) the number of shares authorized for Awards under the Plan prior to January 24, 2013 but not, as of such date, delivered pursuant to an Award or subject to an outstanding Award, and (ii) the number of shares subject to Awards granted under the Plan prior to January 24, 2013 and then outstanding which are not delivered because the Award expires, is forfeited, or terminates unexercised or because payment under the Award is made in cash. No more than 20% of the cumulative shares of Common Stock subject to Awards granted on or after October 1, 2001 may be used for restricted shares, deferred stock units or other Awards providing for the acquisition of the shares for a consideration less than the Fair Market Value of the shares as of the date of grant.

(b) For purposes of applying the limit in subsection (a):

(i) Any share subject to a Plan Award which is not delivered because the Award expires, is forfeited, or terminates unexercised, or because payment under the Award is made in cash, shall not be considered as having been issued or delivered for purposes of the limitations under the preceding sentences and may again be subject to an award subsequently granted under the Plan;

(ii) Any stock appreciation right Award delivered in Common Stock shall be counted as use of a number of shares equal to the number of stock appreciation rights exercised, rather than the number of shares delivered;

(iii) Shares tendered by Participants as full or partial payment to the Company of the purchase price of shares subject to a stock option upon exercise of the option shall not become available for Awards under the Plan;

(iv) Shares withheld by or otherwise remitted to the Company to satisfy a Participant's tax withholding obligations with respect to Awards under the Plan shall not become available for Awards under the Plan;

(v) Shares subject to a Stock Option, which would have been issued upon the exercise of the Stock Option, but are instead withheld to cover the exercise price of the Stock Option in a Net Exercise as described in Section 6(c)(ii), shall not become available for Awards under the Plan; and

(vi) Shares repurchased by the Company with the proceeds of Stock Option exercises shall not become available for Awards under the Plan.

#### 5. Awards

(a) Awards granted to employee Participants or Eligible Directors under the Plan may be of the following types: (i) Stock Options, (ii) Restricted Shares, (iii) Deferred Stock Units,

and/or (iv) Other Stock Awards. Employee Participants may also be granted Stock Appreciation Rights. Awards may be granted singly, in combination, or in tandem as determined by the Administrator in its sole discretion.

(b) Each Award under the Plan shall be evidenced by an award agreement (as such may be amended from time to time) that sets forth the terms, conditions, restrictions, or limitations applicable to the Award (“Award Agreement”), including, but not limited to, the provisions governing vesting, exercisability, payment, forfeiture, and termination of employment in the case of employee Participants, all or some of which may be incorporated by reference into one or more other documents delivered or otherwise made available to a Participant in connection with an Award. More than one type of Award may be covered by the same Agreement. The Administrator need not require the execution of such document by the Participant, in which case acceptance of the Award by the Participant shall constitute agreement by the Participant to the terms, conditions, restrictions, or limitations set forth in the Plan and the Award Agreement as well as the administrative guidelines and practices of the Company in effect from time to time. Except where otherwise required by law, Award Agreements may be delivered electronically.

## 6. Stock Options

Stock Options granted to eligible employees under the Plan may be either Incentive Stock Options or Nonstatutory Stock Options, as determined by the Committee at the time of grant and specified in the Award Agreement. All Stock Options granted to Eligible Directors under the Plan shall be Nonstatutory Stock Options.

(a) *Exercise Price.* The purchase price per share of Common Stock covered by each Stock Option shall be determined by the Administrator but shall not be less than 100% of the Fair Market Value of a share of Common Stock on the date of grant of such Stock Option.

(b) *Shares Covered.* The Administrator will determine, absolutely or by formula, the number of shares of Common Stock subject to each Stock Option. In no event shall the number of shares subject to Stock Options (and any related Stock Appreciation Rights) granted to any Participant in any Fiscal Year exceed 1,000,000, subject to adjustment as provided in Section 12.

(c) *Terms Generally Applicable to all Stock Options.* Except as otherwise determined by the Administrator and reflected in the applicable Award Agreement or an amendment thereto, Stock Options shall be granted on the following additional terms and conditions (and such other terms and conditions that the Administrator may establish which are consistent with the Plan and applicable law):

(i) *Term and Exercise Dates.* The Administrator shall fix the term during which each Stock Option may be exercised, but no Stock Option shall be exercisable after the tenth anniversary of its date of grant, and no employee Stock Option shall be exercisable prior to one year from its date of grant, except as otherwise provided in Section 11A or 11B. Employee Stock Options shall become exercisable in installments: one-third of the shares subject to such Stock Option may be purchased commencing on the first, second, and third one year anniversaries of the date of grant. Eligible Director Stock Options shall be exercisable commencing six months from the date of grant.

(ii) *Exercise.* A Participant wishing to exercise his or her Stock Option in whole or in part shall give written notice of such exercise to the Company, accompanied by full payment of the purchase price. The date of receipt of such notice (including by facsimile transmission) and payment shall be the "Exercise Date" for such Stock Option or portion thereof; provided, however, that if the Participant engages in a simultaneous Stock Option exercise and sale of shares of Common Stock, the Exercise Date shall be the date of sale of the shares purchased by exercising such Stock Option. No partial exercise of a Stock Option may be made for less than 100 shares of Common Stock. To the extent and on such terms as the Administrator specifies, a Nonstatutory Stock Option may also be exercised by a Net Exercise. In a Net Exercise of an Option, the Company will not require a payment of the exercise price of the Option from the Participant but will reduce the number of shares of Common Stock issued upon the exercise of the Option by the smallest number of whole shares that has an aggregate Fair Market Value equal to or in excess of the aggregate exercise price for the shares covered by the Option exercised; and under this method the excess of the Fair Market Value of the shares shall be paid to the Participant, or may be used to satisfy tax withholding obligations.

(iii) *Payment.* The purchase price of shares to be purchased upon exercise of any Option shall be paid in full at the time of exercise of the Stock Option: (A) by cash payment; (B) by tendering (either actually or by attestation), on such terms and conditions as the Administrator may specify, shares of Common Stock owned by the Participant having a Fair Market Value on the Exercise Date equal to the purchase price of such shares; (C) by a combination of cash payment and tendering (as described in the foregoing) of Common Stock having a Fair Market Value on the Exercise Date equal to the portion of such purchase price not paid in cash; or (D) subject to any administrative rules from time to time adopted by the Administrator for administering Stock Option exercises, by delivery (including by facsimile transmission) of an irrevocable exercise notice coupled with irrevocable instructions to a designated broker to simultaneously sell all or a portion of the underlying shares of Common Stock and deliver to the Company, on the settlement date, the portion of the proceeds representing the exercise price (and any taxes to be withheld).

(iv) *Termination of Services or Death.*

(A) In the event an employee Participant ceases to be employed due to Retirement, Disability, or death, his or her Stock Options shall continue to be or become exercisable following such cessation of employment as if the Participant had continued to be an active employee and such Stock Options may be exercised by the Participant or, in the event of death, his or her Designated Beneficiary on the same terms and conditions as would have applied to such Participant had such Participant continued to be an active employee; provided that, except as otherwise determined by the Committee, Stock Options whose date of grant is less than one year from the date of such cessation of employment shall be forfeited.

(B) Except as provided in clause (A) of this Paragraph 6(c)(iv), if an employee Participant's employment with the Company or Subsidiary terminates for any reason other than for Cause, any of his or her outstanding Stock Options that are not exercisable as of the date employment terminates shall be forfeited, and any of such Participant's outstanding Stock Options that are exercisable as of the date employment terminates shall remain exercisable in accordance with their terms for 90 days after the date of termination and thereafter shall be forfeited. Notwithstanding the foregoing, if the Participant's termination was an involuntary termination due to actions necessitated by business conditions, including, without limitation, job elimination, workforce reduction, divestiture or plant closing, and the termination is not a Retirement, any of the Participant's Stock Options that are exercisable on the date of termination of employment shall remain exercisable in accordance with their terms for 180 days after the date of termination and thereafter shall be forfeited.

(C) In the event an Eligible Director ceases to be a director due to Retirement, Disability, or death, his or her Stock Options shall continue to be or become exercisable as if the Eligible Director had continued to be a director and such stock options may be exercised by the director or, in the event of death, his or her Designated Beneficiary on the same terms and conditions as would have applied to such director had such eligible director continued to serve on the Board. Except as otherwise provided by the Board in the applicable Award Agreement or amendment thereto, in the event an Eligible Director ceases to be a director other than due to Retirement, Disability, or death, his or her Stock Options shall become exercisable in accordance with their terms and be exercisable until two years following the Director's last day of service and thereafter shall be forfeited.

(D) No provision of this Paragraph 6(c) (iv) shall be deemed to permit the exercise of any Stock Option after the expiration of the normal stated term of such Stock Option.

(d) *Additional Terms Applicable to Incentive Stock Options*

(i) *Exercise Price.* If an Incentive Stock Option is granted to an employee who, on the date of grant, owns stock possessing more than 10% of the total combined voting power of all outstanding classes of stock of the Company or any affiliate, the purchase price per share under such Incentive Stock Option shall be at least 110% of the Fair Market Value of a share of Common Stock on the date of grant of such Incentive Stock Option, and such Incentive Stock Option shall not be exercisable after the expiration of five years from its date of grant.

(ii) *Shares Covered.* The aggregate Fair Market Value, determined on the date of grant, of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by a Participant during any calendar year (under this Plan and all other plans of the Company and any predecessor, parent, subsidiary or affiliate) shall not

exceed \$100,000 (as such figure may be adjusted under Code Section 422(d)). If the aggregate Fair Market Value, determined on the date of grant, of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by a Participant during any calendar year (under this Plan and all other plans of the Company and any predecessor, parent, subsidiary, or affiliate) exceeds the limitation described in the preceding sentence, that portion of the Incentive Stock Option that does not exceed the applicable dollar limit shall be an Incentive Stock Option and the remainder shall be a Nonqualified Stock Option, and in all other respects the terms of the original Award Agreement shall remain in full force and effect. If the limitation of this paragraph is exceeded, the determination of which Stock Options shall be Incentive Stock Options and which Stock Options shall be Nonqualified Stock Options shall be made in accordance with the ordering rules prescribed in the Code. For the avoidance of doubt, if the exercise date of Incentive Stock Options is accelerated upon a Change in Control as provided for in Section 11A or 11B and the provisions regarding the \$100,000 limitation are exceeded, the treatment described above shall apply.

## **7. Stock Appreciation Rights**

The Committee may grant Stock Appreciation Rights to employees either alone, or in conjunction with, and related to previously or concurrently granted Stock Options and/or other Plan Awards. Except as otherwise determined by the Committee and reflected in the applicable Award Agreement or an amendment thereto, all Stock Appreciation Rights shall be granted on the following terms and conditions (and such other terms and conditions that the Committee may establish which are consistent with the Plan and applicable law):

(a) *Number of Rights.* The Committee shall determine, absolutely or by formula, the number of Stock Appreciation Rights which shall be granted. As to any Stock Appreciation Rights granted in tandem with a Stock Option, such number shall not be greater than the number of shares which are then subject to the related Stock Option, and the number of such Stock Appreciation Rights will be reduced on a one-for-one basis to the extent that shares under the related Stock Option are purchased. In no event shall the number of Stock Appreciation Rights granted to any Participant in any Fiscal Year (excluding Stock Appreciation Rights granted in tandem with a Stock Option, which shall be subject to the limitation in Subsection 6(b)), exceed 1,000,000, subject to adjustment as provided in Section 12.

(b) *Exercise.* Stock Appreciation Rights shall entitle the Participant to receive upon exercise, without any payment to the Company, an amount of cash and/or a number of shares determined and payable as provided in Subsection 7(c). Except as otherwise determined by the Committee and reflected in the applicable Award Agreement or amendment thereto, Stock Appreciation Rights shall be exercisable to the extent and upon the same conditions that Stock Options are exercisable under Subsection 6(c). A Participant wishing to exercise Stock Appreciation Rights shall give written notice of such exercise to the Company. The date of receipt of such notice shall be the "Exercise Date" for such Stock Appreciation Rights. Promptly after the Exercise Date, the Company shall pay and/or deliver to the Participant the cash and/or shares to which he or she is entitled.

(c) *Amount of Cash and/or Number of Shares.* Except as otherwise provided in Section 11A or 11B, the amount of the payment to be made upon exercise of Stock Appreciation Rights shall be determined by multiplying (i) that portion of the total number of shares as to which the Participant exercises the Stock Appreciation Rights award as of the Exercise Date, by (ii) 100% of the amount by which the Fair Market Value of a share of Common Stock on the Exercise Date exceeds the Fair Market Value of a share of Common Stock on the date the Stock Appreciation Rights were granted. The Committee may make payment in cash or partly in cash and partly in Common Stock, all as determined by the Committee in its sole discretion. To the extent that payment is made in Common Stock, the number of shares to be paid shall be determined by dividing the amount of such payment by the Fair Market Value of a share of Common Stock on the Exercise Date. No fractional shares shall be issued, but instead the Participant shall be entitled to receive a cash adjustment equal to the same fraction of the Fair Market Value on the Exercise Date.

(d) *Termination of Employment or Death.* In the event that a recipient of Stock Appreciation Rights ceases to be employed by the Company or a Subsidiary by reason of Retirement, Disability or death, his or her Stock Appreciation Rights shall continue to be or become exercisable following such termination of employment to the extent and upon the same conditions that a Stock Option is exercisable under paragraph 6(c) (iv). In the event a recipient of Stock Appreciation Rights ceases to be employed by the Company or a Subsidiary for a reason other than Retirement, Disability or death, his or her Stock Appreciation Rights shall automatically terminate.

## **8. Restricted Shares**

The Administrator may grant Restricted Share awards to Participants on the following terms and conditions (and/or such other conditions as are consistent with the Plan and applicable law):

(a) *Restrictions.* Restricted Shares shall be granted subject to such restrictions on the full enjoyment of the Shares as the Administrator shall specify in the applicable Award Agreement; which restrictions may be based on the passage of time, satisfaction of performance criteria, or the occurrence of one or more events; and shall lapse separately or in combination upon such conditions and at such time or times, in installments or otherwise, as the Administrator shall specify in the applicable Award Agreement. Except for limited circumstances determined by the Administrator and specified in the applicable Award Agreement, including but not limited to special recruitment or retention awards, death, Disability, or Retirement, Restricted Shares shall have a restriction period of not less than three years; provided that, Restricted Shares shall have a minimum restriction period of one year if lapse of the restriction is based on performance criteria. In no event shall the number of Restricted Shares granted to any Participant in any Fiscal Year exceed 100,000, subject to adjustment as provided in Section 12.

(b) *Dividends; Rights; Voting.* While any restriction applies to any Participant's Restricted Shares, (i) unless the Administrator provides otherwise in the applicable Award Agreement, the Participant shall receive the dividends paid on the Restricted Shares and shall not be required to return those dividends to the Company in the event of the forfeiture of the

Restricted Shares, (ii) the Participant shall receive the proceeds of the Restricted Shares in any stock split, reverse stock split, recapitalization, or other change in the capital structure of the Company, which proceeds shall automatically and without need for any other action become Restricted Shares and be subject to all restrictions then existing as to the Participant's Restricted Shares, and (iii) the Participant shall be entitled to vote the Restricted Shares.

(c) *Transfer of Restricted Shares.* While any restriction applies to the Restricted Shares, the Participant shall not have the right to sell, transfer, assign, convey, pledge, hypothecate, grant any security interest in or mortgage on, or otherwise dispose of or encumber any shares of Restricted Shares or any interest therein.

(d) *Evidence of Share Ownership.* The Restricted Shares will be book-entry shares only unless the Administrator decides to issue certificates to evidence shares of the Restricted Shares. Any stock certificate(s) representing the Restricted Shares that is so issued to a Participant shall bear an appropriate legend describing the restrictions to which the shares are subject.

## **9. Deferred Stock Units**

The Administrator may grant Deferred Stock Units to Participants on the following terms and conditions (and/or such other terms and conditions that the Administrator may establish which are consistent with the Plan and applicable law):

(a) *Number, Value, and Manner of Payment of Deferred Stock Units.* Each Deferred Stock Unit shall be equivalent in value to one share of Common Stock and, subject to satisfaction of any applicable performance conditions, shall entitle the Participant to receive from the Company at the end of the deferral period (the "Deferral Period") applicable to such Unit the value at such time of each Unit. Except as otherwise determined by the Administrator, Deferred Stock Units shall be granted without payment of cash or other consideration to the Company but in consideration of services performed for or for the benefit of the Company or a Participating Subsidiary by such Participant. Deferred Stock Units may be conditioned on the satisfaction of performance conditions. Payment of the value of Deferred Stock Units may be made by the Company in shares of Common Stock, cash or both as determined by the Administrator. If paid in Common Stock, the Participant shall receive a number of shares of Common Stock equal to the number of matured or earned Deferred Stock Units; and if paid in cash, the Participant shall receive, for each matured Deferred Stock Unit, an amount equal to the Fair Market Value of a share of Common Stock on the last day of the applicable Deferral Period (except as otherwise provided in Section 11A or 11B). Upon payment in respect of a Deferred Stock Unit, such Unit shall be canceled. In no event shall the number of Deferred Stock Units granted to any Participant in any Fiscal Year exceed 100,000, subject to adjustment as provided in Section 12.

(b) *Deferral Period.* Except as otherwise provided in Subsection 9(c), payments in respect of Deferred Stock Units shall be made only at the end of the Deferral Period applicable to such Units, the duration of which Deferral Period shall be fixed by the Administrator at the time of grant of such Deferred Stock Units. Except for limited circumstances determined by the Committee, including but not limited to, special recruitment or retention awards, death, Disability or Retirement, Deferral Periods for employee Participants shall not be less than three

years; provided that, Deferral Periods may be less than three years but not less than one year if payment is conditioned on satisfaction of performance criteria. Except as determined by the Board, Deferral Periods for director participants shall end upon cessation of service as a director.

(c) *Termination of Services or Death.* Unless otherwise determined by the Administrator and reflected in the applicable Award Agreement:

(i) in the case of Deferred Stock Units granted to employee Participants:

(A) If during a Deferral Period a Participant's employment with the Company or a Subsidiary is terminated for any reason other than Retirement, Disability or death, such Participant shall forfeit his or her Deferred Stock Units which would have matured or been earned at the end of such Deferral Period;

(B) In the event a Participant's employment with the Company or a Subsidiary terminates during a Deferral Period due to Retirement, Disability, or death, such Participant, or his or her Designated Beneficiary in the event of death, shall receive payment in respect of such Participant's Deferred Stock Units which would have matured or been earned at the end of such Deferral Period, at such time and in such manner as if the Participant were still employed at the end of the Deferral Period; and

(C) No payment in respect of Deferred Stock Units will be made in a manner that would result in the Participant becoming subject to taxes or penalties under Code Section 409A.

(ii) Deferred Stock Units granted to Eligible Directors shall not be forfeited upon termination of service as a director.

(d) *Payment of Deferred Stock Units.* Payment of Deferred Stock Units shall be made as soon as administratively feasible after such Awards become payable, but in no event shall payment be after the later of (1) the date that is 2 1/2 months after the close of the Participant's first taxable year in which the Deferred Stock Units become payable, or (2) the date that is 2 1/2 months after the close of the Company's fiscal year in which the Deferred Stock Units become payable; provided that payments in respect of Deferred Stock Units that constitute deferred compensation under Code Section 409A shall be made in compliance with Code Section 409A.

(e) *Dividends.* No cash dividends or equivalent amounts shall be paid on outstanding Deferred Stock Units. However, the Administrator may specify that a Deferred Stock Unit will accrue "Dividend Equivalents," i.e., an additional amount equal to the cash dividends, if any, which are paid with respect to an issued and outstanding share of Common Stock during the period the Deferred Stock Unit is outstanding. If Dividend Equivalents are to be included in an employee Deferred Stock Unit Award, the Dividend Equivalents will be paid in cash or shares of Common Stock at the time payment in respect of the Deferred Stock Units is made. No Dividend Equivalents will be paid on a Deferred Stock Unit Award that is forfeited as provided in subsection 9(c) or that is conditioned on the satisfaction of performance conditions that are not



met. The Administrator may also specify that the Dividend Equivalents will be deemed to be reinvested in Common Stock. Dividend Equivalents which are deemed reinvested shall be converted into additional Deferred Stock Units and payment of the value of the Award shall include the value of such additional Units. No interest shall be paid on a Dividend Equivalent or any part thereof.

(f) *Director's Elective Deferral of Fees.* Eligible Directors may, under such terms as may be determined by the Board, elect to defer compensation otherwise payable to them and to receive such deferred compensation in the form of Deferred Stock Units.

#### 10. Other Stock Awards

The Administrator shall have the authority in its discretion to grant to eligible Participants such other Awards that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, shares of Common Stock as deemed by the Administrator to be consistent with the purposes of the Plan, including, without limitation, purchase rights, shares awarded without restrictions or conditions, or securities or other rights convertible or exchangeable into shares of Common Stock. The Administrator shall determine the terms and conditions, if any, of any Other Stock Awards made under the Plan. In no event shall Other Stock Awards be granted to any Participant in any Fiscal Year with respect to more than 100,000 shares of Common Stock (i.e., have a value greater than the value of 100,000 shares of Common Stock), subject to adjustment as provided in Section 12.

#### 11A. Change in Control – Awards granted before October 1, 2014

Following or in connection with the occurrence of a Change in Control, the following provisions shall apply to Awards granted under the Plan prior to October 1, 2014, notwithstanding any other provisions of this Plan or the Award Agreement to the contrary:

(a) *Acceleration and Exercisability of Stock Options and Stock Appreciation Rights.* All Stock Options and Stock Appreciation Rights shall automatically (and without any action by the Administrator) become immediately exercisable in full for the period of their remaining terms; provided, however, that the acceleration of the exercisability of any Stock Option or Stock Appreciation Right that has not been outstanding for a period of at least six months from its respective date of grant shall occur on the first day following the end of such six-month period.

(b) *Cash Surrender of Stock Options and Stock Appreciation Rights.* Notwithstanding subsection 11A(a), all or a portion of outstanding Stock Options or Stock Appreciation Rights may, at the discretion of the Board or Committee, be required to be surrendered by the holder thereof for cancellation in exchange for a cash payment for each such Stock Option or Stock Appreciation Right. The cash payment received for each share subject to the Stock Option or Stock Appreciation Right shall be 100% of the amount, if any, by which the Change in Control Price *exceeds* the per share strike price of such Stock Option or Stock Appreciation Right (as applicable). Any such payment shall be made as soon as practicable but no later than 30 days after the Change in Control.

(c) *Reduction in Accordance with Plan.* The number of shares covered by Stock Options and Stock Appreciation Rights will be reduced on a one-for-one basis to the extent related Stock Options or Stock Appreciation Rights are exercised, or surrendered for cancellation in exchange for a cash payment, as the case may be, under this Section 11A.

(d) *Lapse of Restrictions on Restricted Shares.* All restrictions applicable to an outstanding award of Restricted Shares shall lapse immediately upon the occurrence of a Change in Control regardless of the scheduled lapse of such restrictions; provided that all or a portion of such Restricted Shares may, at the discretion of the Board or Committee, be required to be surrendered by the holder thereof for cancellation in exchange for a cash payment for each such Restricted Share equal to 100% of the Change in Control Price. Such payment shall be made as soon as practicable but no later than 30 days after the Change in Control.

(e) *Accelerated Payment of Deferred Stock Units.* All outstanding Deferred Stock Units which are not performance conditioned, together with any Dividend Equivalents for the period for which such Deferred Stock Units have been outstanding, shall become fully vested and shall be paid in full notwithstanding that the Deferral Periods as to such Deferred Stock Units have not been completed. All unearned Deferred Stock Unit Awards that are conditioned on the satisfaction of performance conditions shall vest in an amount determined by multiplying (A) the number of shares or units that would have been earned under the Award at a target level of performance by (B) a fraction, the numerator of which is the number of full months that shall have elapsed since the beginning of the applicable performance period and the denominator of which shall be the number of full months in such performance period. Payments of Deferred Stock Units vested under this subparagraph shall be in Common Stock (or, at the discretion of the Board or Committee, in cash equal to the Change in Control Price multiplied by the number of Deferred Stock Units in respect of which the payment is being made) and shall be made as soon as practicable but no later than 30 days after the Change in Control. Notwithstanding the above, payments of vested Deferred Stock Units that are subject to the requirements under Code Section 409A will be made at the time provided in the applicable Award Agreement.

#### **11B. Change in Control – Awards Granted On or After October 1, 2014**

The provisions of this Section 11B shall apply in the case of a Change in Control with respect to Awards granted under the Plan on or after October 1, 2014, unless the Board or Committee shall specifically provide otherwise in the Award Agreement or in the Deferred Compensation Program for Directors.

(a) *Stock Options and Stock Appreciation Rights.*

- (i) Any Stock Option or Stock Appreciation Right may be exchanged by the Company or the Surviving Entity in connection with a Change in Control for a Replacement Award that satisfies the conditions of this paragraph 11B(a)(i). The Replacement Award shall preserve the value of the Stock Option or Stock Appreciation Right and vest and become exercisable on terms (including acceleration events) at least as favorable as those applicable to the corresponding Award for which it is being exchanged; and shall provide that, if within twenty-four (24) months of such Change

in Control, the Participant's employment with the Company or Surviving Entity is terminated by the Company or Surviving Entity without Cause or by the Participant for Good Reason, such Replacement Award, to the extent then outstanding, shall become fully vested and exercisable upon such termination of employment and shall remain exercisable throughout the remainder of its term;

- (ii) Any outstanding Stock Options and Stock Appreciation Rights, that are not exchanged by the Company or the Surviving Entity for a Replacement Award, will become immediately exercisable upon a Change in Control, and will remain exercisable throughout the remainder of their term. Such vested Stock Options and vested Stock Appreciation Rights may be settled, in the discretion of the Administrator or pursuant to an agreement effecting the Change in Control, for cash at the Change in Control Price (less the exercise price in the case of Stock Options) as soon as practical but no later than 30 days after the Change in Control. If the per share exercise price equals or exceeds the Change in Control Price, such vested Stock Options and vested Stock Appreciation Rights may be cancelled by the Company or the Surviving Entity.

(b) *Restricted Shares, Deferred Stock Units and Other Stock Awards Without Performance Conditions.*

- (i) Any Restricted Share, Deferred Stock Unit, or Other Stock Award that is not conditioned on the satisfaction of performance conditions may be exchanged by the Company or the Surviving Entity in connection with the Change in Control for a Replacement Award that satisfies the conditions of this paragraph 11B(b)(i). The Replacement Award shall have equivalent value to the Award for which it is being exchanged, taking into account Dividend Equivalents where applicable; shall vest on terms (including acceleration events) at least as favorable as those applicable to the corresponding Award for which it is being exchanged; and shall provide that, if within twenty four (24) months of such Change in Control, the Participant's employment with the Company or Surviving Entity is terminated by the Company or Surviving Entity without Cause or by the Participant for Good Reason, such Replacement Award, to the extent then outstanding, shall be vested and shall be paid within 30 days of such termination of employment, or, if made in restricted stock, become vested and transferable upon such termination of employment.
- (ii) Any restriction periods, Deferral Periods or other restrictions imposed on Restricted Shares, Deferred Stock Units and Other Stock Awards that are not conditioned on the satisfaction of performance conditions and are not exchanged by the Company or Surviving Entity for a Replacement Award will lapse, and such Awards shall be fully vested and, in the case of Restricted Shares, transferrable. Such vested Deferred Stock Units or Other Stock Awards, shall be paid, within 30 days of the Change in Control, in shares of Common Stock or, at the discretion of the Administrator, in cash equal to the Change in Control Price multiplied by the number of Deferred Stock Units or Other Stock Awards, together with any related Dividend Equivalents.

- (iii) Notwithstanding the above, if payment of an Award or Replacement Award in accordance with the above provisions of this subsection 11B(b) would cause the imposition of an excise tax under Code Section 409A, then the Award or Replacement Award shall vest but shall be paid only in compliance with its terms and Code Section 409A.
- (c) *Performance Conditioned Restricted Shares, Deferred Stock Units and Other Stock Awards.*
- (i) Any performance conditioned Restricted Shares, Deferred Stock Unit, or Other Stock Award may be exchanged by the Company or the Surviving Entity upon Change in Control for a Replacement Award that satisfies the conditions of this paragraph 11B(c)(i). The Replacement Award shall have equivalent value to the Award for which it is being exchanged, taking into account Dividend Equivalents when applicable, but shall not be subject to any performance conditions, and instead shall be subject solely to the restrictions, if any, of the Award for which it is being exchanged that are based on the passage of time. The number or value of such Replacement Award shall be determined based on the assumed achievement of all of the relevant performance objectives of the Award for which it is being exchanged at their target levels. The Replacement Award shall provide that, if within twenty four (24) months of such Change in Control the Participant's employment with the Company or the Surviving Entity is terminated by the Company or Surviving Entity without Cause or by the Participant for Good Reason, such Replacement Award, to the extent then outstanding, shall become free of all contingencies, restrictions, and limitations and become vested and transferable upon, and be paid within thirty days of such termination of employment.
- (ii) The vesting of all performance conditioned Restricted Shares, Deferred Stock Units, and Other Stock Awards that are not exchanged by the Company or Surviving Entity for a Replacement Award will be accelerated as of the effective date of a Change in Control, and such Awards shall be fully vested and, in the case of Restricted Shares, transferrable. Such vested Deferred Stock Units or Other Stock Awards shall be paid, within 30 days of the Change in Control, in shares of Common Stock or cash in accordance with their terms, based on an assumed achievement of all relevant performance objectives at target levels; provided that, at the discretion of the Administrator, all such Awards may be paid in cash in an amount calculated on the basis of the Change in Control Price,
- (iii) Notwithstanding the foregoing, if payment of an Award or Replacement Award in accordance with the above provisions of this subsection 11B(c) would cause the imposition of an excise tax under Code Section 409A, then the Award or Replacement Award shall vest and be nonforfeitable but shall be paid only in compliance with its terms and Code Section 409A.

(d) *Cash Settlement of Awards.*

Notwithstanding the foregoing provisions of this Section 11B,

- (i) In connection with a Change in Control, all or a portion of any outstanding Award may, at the discretion of the Administrator, be required to be surrendered by the holder thereof for cancellation in exchange for a cash payment which shall be in an amount based upon the Change in Control Price to be paid at the time of the Change in Control.
- (ii) If the Company is a party to an agreement that is reasonably likely to result in a Change in Control, such agreement may provide for settlement of outstanding Awards in cash in an amount based upon the Change in Control Price to be paid at the time of the Change in Control.
- (iii) To the extent that Awards settle in shares of Common Stock upon a Change in Control, such shares shall be entitled to receive, as a result of the Change in Control transaction, the same consideration as the shares held by other shareholders of the Company as a result of the Change in Control transaction.

**12. Dilution and Other Adjustments**

Notwithstanding any other provision of the Plan, in the event of any change in the outstanding shares of Common Stock by reason of any stock dividend or split, recapitalization, merger, consolidation, spin off, combination, or exchange of shares, a rights offering to purchase Common Stock at a price substantially below Fair Market Value, or other similar corporate change, an equitable adjustment shall be made so as to preserve, without increasing or decreasing, the value of Plan Awards and authorizations, in (i) the maximum number or kind of shares issuable or awards which may be granted under the Plan, (ii) the amount payable upon exercise of Stock Appreciation Rights, (iii) the number or kind of shares or purchase price per share subject to outstanding Stock Options, (iv) the number or value, or kind of shares which may be issued in payment of outstanding Stock Appreciation Rights, (v) the value and attributes of Deferred Stock Units, (vi) the number or kind of shares subject to Restricted Share Awards, (vii) the maximum number, kind or value of any Plan awards which may be awarded or paid in general or to any one employee, (viii) the performance-based events or objectives applicable to any Plan awards, (ix) any other aspect or aspects of the Plan or outstanding Awards made thereunder as specified by the Administrator, or (x) any combination of the foregoing. Such adjustments shall be made as determined by the Administrator and shall be conclusive and binding for all purposes of the Plan. Notwithstanding the foregoing sentence or any other provision of this Plan to the contrary (but subject to the requirements under Code Section 409A), the Board or Committee may, upon the occurrence of a corporate change under this Section 12 or a Change in Control (i) make provision for a cash payment to the holder of an outstanding Award in consideration for the cancellation of such Award (including, in the case of outstanding Stock Options or Stock Appreciation Rights, a cash payment to the holder of such Stock Options or Stock Appreciation Rights in the amount equal to the excess, if any, of the Change in Control Price with respect to the Common Stock subject to such Stock Options or Stock Appreciation

Rights over the aggregate exercise price of such Stock Options or Stock Appreciation Rights), (ii) cancel and terminate any Stock Options or Stock Appreciation Rights having a per share exercise price equal to, or in excess of, the Fair Market Value of a share of Common Stock subject to such Stock Options or Stock Appreciation Rights without any payment or consideration therefor or (iii) make provision for a cash payment to the holder of an outstanding Award in consideration for cancellation of such Award equal to the value of such Award (such value to be determined by the Committee in its sole discretion based on appropriate valuation models).

### 13. Miscellaneous Provisions

(a) *No Shareholder Rights.* Except as otherwise provided here, the holder of a Plan Award shall have no rights as a Company shareholder with respect thereto unless, and until the date as of which, shares of Common Stock are issued upon exercise or payment in respect of such award.

(b) *Transferability.* Except as the Administrator shall otherwise determine in connection with determining the terms of Awards to be granted or in accordance with procedures adopted by the Administrator, no Award or any rights or interests therein of the recipient thereof shall be assignable or transferable by such recipient except upon death to his or her Designated Beneficiary, and during the lifetime of the recipient, an Award shall be exercisable only by, or payable only to such recipient or his or her guardian or legal representative. In no event shall an Award be transferable for consideration.

(c) *Securities Restrictions.* No shares of Common Stock shall be issued, delivered or transferred upon exercise or in payment of any Award granted hereunder unless and until all legal requirements applicable to the issuance, delivery or transfer of such shares have been complied with to the satisfaction of the Administrator, and the Company, including, without limitation, compliance with the provisions of the Securities Act of 1933, the Act and the applicable requirements of the exchanges on which the Company's Common Stock may, at the time, be listed. The Administrator and the Company shall have the right to condition any issuance of shares of Common Stock made to any Participant hereunder on such Participant's undertaking in writing to comply with such restrictions on his or her subsequent disposition of such shares as the Administrator and/or the Company shall deem necessary or advisable as a result of any applicable law, regulation or official interpretation thereof, and certificates representing such shares may be legended to reflect any such restrictions.

(d) *Taxes.* The Company shall have the right to deduct from all Awards hereunder paid or any payment in respect of an Award, any federal, state, local or foreign taxes required by law to be withheld. In the case of Awards to be distributed in Common Stock, the Company shall have the right to require, as a condition of such distribution, that the Participant or other person receiving such Common Stock pay to the Company at the time of distribution thereof the amount of any such taxes which the Company is required to withhold with respect to such Common Stock or that the number of the units of the award be cancelled, or the number of the shares of Common Stock to be distributed be reduced, by an amount with a value equal to the value of such taxes required to be withheld.

(e) *No Employment Right.* No employee or director of the Company or a Subsidiary or other person shall have any claim or right to be granted an Award under this Plan. Neither this Plan nor any action taken hereunder shall be construed as giving any employee any right to be retained in the employ of the Company or a Subsidiary or any director any right to continue as a director of the Company. All Company and Subsidiary employees who have or may receive Awards under this Plan are employed, except to the extent provided by law, at the will of the Company or such Subsidiary and in accord with all statutory provisions.

(f) *Stock to be Used.* Distributions of shares of Common Stock upon exercise, in payment or in respect of Awards made under this Plan may be made either from shares of authorized but unissued Common Stock reserved for such purpose by the Board or from shares of authorized and issued Common Stock reacquired by the Company and held in its treasury, as from time to time determined by the Committee, the Board, or pursuant to delegations of authority from either. The obligation of the Company to make delivery of Awards in cash or Common Stock shall be subject to currency or other restrictions imposed by any government.

(g) *Expenses of the Plan.* The costs and expenses of administering this Plan shall be borne by the Company and not charged to any award or to any employee, director or Participant receiving an Award. However, the Company may charge the cost of any Awards that are made to employees of Participating Subsidiaries, including administrative costs and expenses related thereto, to the respective Participating Subsidiaries by which such persons are employed.

(h) *Plan Unfunded.* This Plan shall be unfunded. The Company shall not be required to establish any special or separate fund or to make any other segregation of assets to assure the payment of any Award under this Plan and payment of awards shall be subordinate to the claims of the Company's general creditors.

(i) *Section 409A of the Code.*

(i) If any provision of the Plan or an Award contravenes any regulations or Treasury guidance promulgated under Code Section 409A agreement or could cause an Award to be subject to the interest and penalties under Code Section 409A, such provision of the Plan or Award shall be modified to maintain, to the maximum extent practicable, the original intent of the applicable provision without violating the provisions of Code Section 409A. Moreover, any discretionary authority that the Administrator may have pursuant to the Plan shall not be applicable to an Award that is subject to Code Section 409A to the extent such discretionary authority will contravene Section 409A or the regulations or guidance promulgated thereunder.

(ii) Notwithstanding any provisions of this Plan or any Award Agreement granted hereunder to the contrary, no acceleration shall occur with respect to any Award (including awards granted prior to January 26, 2006) to the extent such acceleration would cause the Plan or an Award granted hereunder to fail to comply with Code Section 409A.

(iii) Notwithstanding any provisions of this Plan or any applicable Award Agreement to the contrary, no payment shall be made with respect to any Award granted under this Plan (including Awards granted prior to January 26, 2006) to a “specified employee” (as such term is defined for purposes of Code Section 409A) prior to the six-month anniversary of the employee’s separation of service to the extent such six-month delay in payment is required to comply with Code Section 409A.

(j) *Governing Law.* This Plan shall be governed by the laws of the Commonwealth of Pennsylvania and shall be construed for all purposes in accordance with the laws of said Commonwealth except as may be required by the General Corporation Law of Delaware or by applicable federal law.

#### 14. Definitions

In addition to the terms defined elsewhere herein, the following terms as used in this Plan shall have the following meanings:

“Act” shall mean the Securities Exchange Act of 1934 as amended from time to time.

“Award” shall mean a grant of incentive compensation under the Plan in the form of Stock Options, Restricted Shares, Deferred Stock Units, Stock Appreciation Rights or Other Stock Awards.

“Cause” shall mean (a) documented failure of the Participant to substantially perform his or her reasonable duties (other than any such failure due to Disability), repeated acts of insubordination, dishonesty, performance of an illegal act or material violation of Company policy or the Company’s Code of Conduct or of an obligation to the Company; provided, that, if the Participant has entered a change in control severance agreement with the Company specifying the terms of the Participant’s severance upon a Change in Control, “Cause” shall have the meaning provided therein upon a Change in Control.

“Change in Control” shall mean the first to occur of any one of the events described below:

(i) *Stock Acquisition.* Any “person” (as such term is used in Sections 13(d) and 14(d)(2) of the Act), other than the Company or a corporation, a majority of whose outstanding stock entitled to vote is owned, directly or indirectly, by the Company, or a trustee of an employee benefit plan or trust sponsored solely by the Company and/or such a corporation, is or becomes, other than by purchase from the Company or such a corporation, the “beneficial owner” (as such term is defined in Rule 13d-3 under the Act), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company’s then outstanding voting securities;

(ii) *Change in Board.* During any period of two consecutive years, individuals who at the beginning of such period were members of the Board of Directors cease for any reason to constitute at least a majority of the Board of Directors, unless the election



or nomination for election by the Company's shareholders of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period. Such a Change in Control shall be deemed to have occurred on the date upon which the requisite majority of directors fail to be elected by the shareholders of the Company;

(iii) *Business Combination*. Consummation of a reorganization, merger, consolidation, or other corporate transaction involving the Company (a "Transaction"), in each case, with respect to which the shareholders of the Company immediately prior to such Transaction do not, immediately after the Transaction, own more than 50 percent (50%) of the combined voting power of the Company or other corporation resulting from such Transaction in substantially the same respective proportions as such shareholders' ownership of the voting power of the Company immediately before such Transaction; or

(iv) *Sale or Liquidation*. The shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or a sale or disposition of all or substantially all of the Company's assets.

Notwithstanding the foregoing, if an Award, or amount payable with respect to an Award, is "deferred compensation" for purposes of Code Section 409A, and if a payment of such Award or amount would be accelerated or otherwise triggered upon a "Change in Control," then the foregoing definition is modified, to the extent necessary to avoid the imposition of an excise tax under Code Section 409A, to mean a "change in control event" as such term is defined for purposes of Code Section 409A.

"Change in Control Price" shall mean (i) the highest tender or exchange offer price paid or to be paid for Common Stock pursuant to the offer associated with the Change in Control (such price to be determined by the Administrator from such source or sources of information as it shall determine including, without limitation, the Schedule 13D or an amendment thereto filed by the offeror pursuant to Rule 13d-1 under the Act), or (ii) the price paid or to be paid for Common Stock under an agreement associated with the Change in Control, as the case may be, or (iii) if neither (i) nor (ii) apply, the Fair Market Value of a share of Common Stock on the date of payment.

"Code" shall mean the Internal Revenue Code of 1986, and regulations thereunder, as amended from time to time, or any successor thereto. References to particular Code sections shall include successor provisions.

"Common Stock: means the Common Stock of the Company, par value \$1.00.

"Deferred Stock Units" are rights to receive, at the end of a deferral period, cash and/or Common Stock equivalent in value to one share of Common Stock for each unit.

"Designated Beneficiary" shall mean the person or persons, if any, last designated as such by the Participant on a form filed by him or her with the Plan Record Keeper in accordance with

such procedures as the Plan Record Keeper shall provide and, if there is no such designation, shall be the person or persons most recently named as the beneficiary or beneficiaries of life insurance provided to the Participant by the Company or a Participating Subsidiary; and, if there is no such life insurance beneficiary, shall be the person or persons designated in the Participant's will and, if the will is silent, shall be the estate of the Participant.

"Disability" shall mean permanent and total disability of an employee or director participating in the Plan as determined by the Administrator in accordance with uniform principles consistently applied, upon the basis of such evidence as the Administrator deems necessary and desirable. Notwithstanding the foregoing, with respect to an Award that is subject to Code Section 409A, no condition shall constitute a "Disability" for purposes of the Plan unless such condition also constitutes a disability as defined under Section 409A.

"Fair Market Value" of a share of Common Stock of the Company on any date shall mean an amount equal to the closing sale price for such date on the New York Stock Exchange, as reported on the composite transaction tape, or on such other exchange as the Administrator may determine. If there is no such sale price quotation for the date as of which Fair Market Value is to be determined, the previous trading date prior to such date for which there are reported sales prices on the composite transaction tape shall be used. If there are no such sale price quotations on or within a reasonable period both before and after the date as of which Fair Market Value is to be determined, then the Administrator shall in good faith determine the Fair Market Value of the Common Stock on such date.

"Fiscal Year" shall mean the twelve-month period used as the annual accounting period by the Company and shall be designated according to the calendar year in which such period ends.

"Good Reason" shall mean a material reduction in the Participant's base wage or salary, benefits or incentive compensation opportunities. If a condition constituting Good Reason arises, the Participant must provide the Company with notice within 90 days of the initial existence of the condition and must provide the Company with 30 days during which the Company may remedy the condition. Notwithstanding the foregoing, if a Participant has entered a change in control severance agreement with the Company, Good Reason shall have the meaning provided therein.

"Incentive Stock Option" shall mean a Stock Option designated by the Committee as an Incentive Stock Option which is intended to comply with the requirements in Subsection (b) of Code Section 422 or any successor thereto so as to be eligible for preferential income tax treatment under Code Section 421(a).

"Net Exercise" shall mean a method for settling Stock Options whereby, instead of receiving a payment or tender by the Participant to cover the exercise price of the Stock Option, the Company issues to the Participant the net shares of Common Stock representing the difference between the aggregate Fair Market Value of the shares of Common Stock covered by the Stock Option and the aggregate exercise price of the Stock Option.

“Nonstatutory Stock Option” shall mean a Stock Option which is not eligible for preferential tax treatment under Code Section 421(a).

“Other Stock Awards” are Awards, in such form as the Board or Committee may determine, that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to shares of Common Stock.

“Participant” shall mean, as to any Award granted under this Plan and for so long as such Award is outstanding, the employee or director to whom such Award has been granted.

“Participating Subsidiary” shall mean any Subsidiary designated by the Administrator to participate in this Plan which Subsidiary requests or accepts, by action of its board of directors or other appropriate authority, such designation.

“Plan Record Keeper” shall mean, with respect to an Employee Participant, Fidelity Stock Plan Services, LLC or such other person as shall be engaged by the Company to perform recordkeeping services for the Plan and, if none, shall be the Company; and, with respect to an Eligible Director, shall be the corporate secretary of the Company.

“Replacement Award” means an award resulting from an exchange for an outstanding Award described in Section 11B upon a Change in Control and meeting the applicable conditions specified in Section 11B, provided that such award is issued by a company (foreign or domestic) the majority of the equity of which is listed under and in compliance with the domestic company listing rules of the New York Stock Exchange or with a similarly liquid stock exchange which has comparable standards to the domestic listing standards of the New York Stock Exchange or NASDAQ.

“Restricted Shares” are shares of Common Stock awarded subject to restrictions and to possible forfeiture upon the occurrence of specified events.

“Retirement” shall mean

(a) in the case of an employee Participant, separating from service with the Company or a Subsidiary, on or after a customary retirement age for the Participant’s location, with a fully vested right to begin receiving immediate benefits under a retirement income plan sponsored or otherwise maintained by the Company or a Subsidiary for its employees, or, in the absence of such a plan being applicable to any Participant, as determined by the Committee in its sole discretion; and

(b) in the case of an Eligible Director, resigning from serving as a director, failing to stand for re-election as a director or failing to be re-elected as a director, in each case after at least six (6) full years of service as a director of the Company. More than six (6) months’ service during any twelve (12) month period after a director’s first election by the shareholders to the Board shall be considered as a full year’s service for this purpose.

“Stock Appreciation Rights” are rights to receive cash and/or Common Stock equivalent in value to the “spread” between (a) the Fair Market Value of a share of Common Stock on the date the Stock Appreciation Right is exercised and (b) the Fair Market Value of a share of Common Stock on the date the Stock Appreciation Right was granted.

“Stock Options” are rights to purchase Common Stock from the Company at a price designated at the time of grant.

“Subsidiary” shall mean any domestic or foreign corporation, partnership, association, joint stock company, trust or unincorporated organization “affiliated” with the Company, that is, directly or indirectly, through one or more intermediaries, “controlling”, “controlled by” or “under common control with”, the Company. “Control” for this purpose means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities, contract or otherwise.

“Surviving Entity” means the entity resulting from a Change in Control (including, without limitation, an entity which, as a result of such transaction, owns the Company or all or substantially all of the Company’s assets or stock, either directly or through one or more subsidiaries).

#### **15. Amendments and Termination; Requisite Shareholder Approval**

The Board may at any time terminate or from time to time amend or suspend the Plan in whole or in part in such respects as the Board may deem advisable in order that Awards granted thereunder shall conform to any change in the law, or in any other respect which the Board may deem to be in the best interests of the Company; provided, however, that no amendment of the Plan shall be made without shareholder approval if shareholder approval of the amendment is at the time required by applicable law, or by the rules of the New York Stock Exchange or any stock exchange on which Common Stock may be listed.

Notwithstanding any other provision of this Plan or any provision in an Award Agreement, Section 11B may not be terminated, amended or modified on or after the effective date of a Change in Control in a way that would adversely affect any Award theretofore granted to a Participant in any material way, unless the Participant gives his or her prior written consent to the termination, amendment or modification.

The Board shall have the power to amend the Plan in any manner contemplated by Section 12 or deemed necessary or advisable for Awards granted under the Plan to qualify for the exemption provided by Rule 16b-3 (or any successor rule relating to exemption from Section 16(b) of the Act), to qualify as “performance-based” compensation under Code Section 162(m), or to comply with applicable law including Code Section 409A, and any such amendment shall, to the extent deemed necessary or advisable by the Board, be applicable to any outstanding Awards theretofore granted under the Plan notwithstanding any contrary provisions contained in any Award Agreement. In the event of any such amendment to the Plan, the holder of any Award outstanding under the Plan shall, upon request of the Board and as a condition to the exercisability thereof, execute a conforming amendment in the form prescribed by the Board to any Award Agreement relating thereto within such reasonable time as the Board shall specify in such request.

The Administrator may amend outstanding Award Agreements or otherwise modify outstanding Plan Awards in a manner not inconsistent with the terms of the Plan; provided, however, that, unless required by law, no action contemplated or permitted by this Section 15 shall adversely affect any rights of Participants or obligations of the Company to Participants with respect to any Award theretofore made under the Plan without the consent of the affected Participant.

Notwithstanding the above, except in connection with a corporate transaction involving the Company described in Section 12, repricing of Stock Options or Stock Appreciation Rights shall not be permitted without shareholder approval. For this purpose, a “repricing” means any of the following (or any other action that has the same effect as any of the following): (A) changing the terms of a Stock Option or Stock Appreciation Right to lower its exercise price; (B) any other action that is treated as a “repricing” under generally accepted accounting principles; and (C) repurchasing for cash or canceling a Stock Option or Stock Appreciation Right at a time when its exercise price is greater than the Fair Market Value of the underlying stock in exchange for another Award, unless the cancellation and exchange occurs in connection with an event set forth in Section 12.

#### **16. Effective Date, Amendment and Restatement, and Term of the Plan**

(a) This Plan, previously denominated the “Air Products and Chemicals, Inc. 1990 Long-Term Incentive Plan,” became effective for the Fiscal Year commencing October 1, 1989 for awards to be made for the Fiscal Year commencing October 1, 1989 and for Fiscal Years thereafter and was continued in effect indefinitely until terminated, amended, or suspended as permitted by its terms, following approval by a majority of those present at the January 26, 1989 annual meeting of shareholders of the Company and entitled to vote thereon. Following approval by the holders of a majority of the shares of Common Stock of the Company present at the January 25, 1996 annual meeting of shareholders of the Company and entitled to vote thereon, the Plan was amended, restated, denominated the “Air Products and Chemicals, Inc. 1997 Long-Term Incentive Plan”, and continued in effect indefinitely for awards made for the Fiscal Year commencing October 1, 1996 and for Fiscal Years thereafter, until terminated, amended, or suspended as permitted by its terms. Following approval by the holders of a majority of the shares of Common Stock of the Company present at the January 25, 2001 annual meeting of shareholders of the Company and entitled to vote thereon, the Plan was amended, restated, denominated the “Air Products and Chemicals, Inc. Long-Term Incentive Plan”, and continued in effect indefinitely for awards made for the Fiscal Year commencing October 1, 2001 and for Fiscal Years thereafter, until terminated, amended, or suspended as permitted by its terms. Following approval by the holders of a majority of the shares of Common Stock of the Company present at the January 23, 2003 Annual Meeting of Shareholders of the Company and entitled to vote thereon, the Plan was amended, restated, and continued in effect for awards made on or after January 23, 2003, until terminated, amended, or suspended as permitted by its terms. Following approval by the holders of a majority of the shares of Common Stock of the Company present and entitled to vote at the January 26, 2006 Annual Meeting of Shareholders, the Plan

was amended, restated, and continued in effect for Awards made on or after January 26, 2006, until terminated, amended, or suspended as permitted by its terms. Following approval by the holders of a majority of the shares of Common Stock of the Company present and entitled to vote at the January 28, 2010 Annual Meeting of Shareholders, the Plan was amended, restated, and continued in effect for Awards made on or after January 28, 2010, until terminated, amended, or suspended as permitted by its terms.

(b) Following approval by a majority of the shareholders present and entitled to vote thereon at the January 24, 2013 Annual Meeting of Shareholders, the Plan was amended, restated and continued in effect until terminated, amended, or suspended as permitted under Section 15; provided, however, that no Award shall be granted under the Plan on or after January 24, 2023. This amendment and restatement of the Plan shall apply to Awards made after January 24, 2013 except as provided herein and except to the extent it would adversely affect the rights of Participants with respect to Awards made prior to such date or be a “material modification” of such Awards within the meaning of Code Section 409A, shall also apply to Awards outstanding as of January 24, 2013.

FORM OF EXECUTIVE OFFICER  
CHANGE IN CONTROL SEVERANCE  
AGREEMENT FOR AGREEMENTS  
ENTERED OR RENEWED ON OR AFTER 1 OCTOBER 2014<sup>1</sup>

Dear [Executive]

Air Products and Chemicals, Inc. (“Air Products”) considers a sound and vital management to be essential to protecting and enhancing its best interests and those of its shareholders. In this connection, Air Products recognizes that, as is the case with any publicly held corporation, the possibility of a change in control of Air Products may develop, although no such change is now expected or contemplated.

The Management Development and Compensation Committee of the Air Products Board of Directors and the Board believe it imperative that the Company and the Board be able to rely upon key members of the Company’s management to continue in their positions and to act in the best financial interests of Air Products shareholders in the event of a bid, offer or proposal to take control of Air Products and following any change in control of Air Products. Therefore, the Committee and the Board have determined that appropriate steps should be taken to protect key members of the Company’s management against significant negative personal financial consequences that might result from a change in control, and to reinforce and encourage the continued attention and dedication of such key members of management to their duties without distraction should the possibility of a change in control of Air Products ever arise.

In order to induce you to remain in the employ of the Company and to assure your continued dedication and the availability of your advice and counsel during the possibility and pendency of, and following, a change in the control of Air Products, Air Products agrees that it will provide you, or cause you to be provided the severance benefits set forth in this change in control agreement (“the Agreement”) in the event your employment with the Company is terminated subsequent to a Change in Control under the circumstances described herein.<sup>2</sup>

1. DEFINITIONS

“Act” means the Securities Exchange Act of 1934.

“Annual Incentive Plan” shall mean the Air Products and Chemicals, Inc. Annual Incentive Plan and/or any similar, successor or substitute short-term bonus plan, program or pay practice.

“Base Salary” shall mean your total annual salary payable by the Company in accordance with its normal compensation practices, including any amounts deferred pursuant to the Savings Plans or Code Section 125.

<sup>1</sup> The agreement to be entered with Seifi Ghasemi, Chairman, President and Chief Executive Officer of the company, includes several provisions noted below that are slightly different from this Form of Agreement in accordance with the Employment Agreement entered into between the Company and Mr. Ghasemi dated June 17, 2014 filed as Exhibit 10.1 to the Company’s current report on Form 8-K dated June 18, 2014.

<sup>2</sup> Mr. Ghasemi’s agreement also will provide that, “in such event the benefits under this Agreement shall not result in less favorable treatment of any element than you would receive if this Agreement did not apply.”

“Benefit Plans” shall have the meaning set forth in clause (F) under the definition of Good Reason.

“Board” shall mean the Board of Directors of Air Products.

“Bonus Plans” shall have the meaning set forth in clause (C) under the definition Good Reason.

“Cause” shall mean either of the following:

- (A) The willful and continued failure by you to substantially perform your duties with the Company (other than any such failure resulting from your incapacity due to physical or mental illness or injury or any such actual or anticipated failure after the issuance by you of a Termination Notice for Good Reason), over a period of not less than forty-five days after a demand for substantial performance is delivered to you by the Board which specifically identifies the manner in which the Board believes that you have not substantially performed your duties; or
- (B) The willful engaging by you in gross misconduct materially and demonstrably injurious to the Company; provided that no act or failure to act on your part will be considered willful if done, or omitted to be done, by you in good faith and with reasonable belief that your action or omission was in the best interest of the Company, or if any member of the Board who was not a party to such act or omission had actual knowledge of it for at least twelve months.<sup>3</sup>

“Change in Control” shall mean the first to occur of any one of the events described below:

- (i) Stock Acquisition. Any “person” (as such term is used in Sections 13(d) and 14(d) (2) of the Act), other than the Company or a corporation, a majority of whose outstanding stock entitled to vote is owned, directly or indirectly, by the Company, or a trustee of an employee benefit plan or trust sponsored solely by the Company and/or such a corporation, is or becomes, other than by purchase from the Company or such a corporation, the “beneficial owner” (as such term is defined in Rule 13d-3 under the Act), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company’s then outstanding voting securities;
- (ii) Change in Board. During any period of two consecutive years, individuals who at the beginning of such period were members of the Board of Directors cease for any reason to constitute at least a majority of the Board of Directors, unless the election or nomination for election by the Company’s shareholders of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period. Such a Change in Control shall be deemed to have occurred on the date upon which the requisite majority of directors fail to be elected by the shareholders of the Company;

<sup>3</sup> Mr. Ghasemi’s agreement also will provide: “notwithstanding the foregoing, in no event will any conduct or omission be deemed Cause for purposes of this Agreement if it would not be Cause as defined by the Employment Agreement.”



- (iii) Business Combination. Consummation of a reorganization, merger, consolidation, or other corporate transaction involving the Company (a “Transaction”), in each case, with respect to which the shareholders of the Company immediately prior to such Transaction do not, immediately after the Transaction, own more than 50 percent (50%) of the combined voting power of the Company or other corporation resulting from such Transaction in substantially the same respective proportions as such shareholders’ ownership of the voting power of the Company immediately before such Transaction;
- (iv) Sale or Liquidation. The shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or a sale or disposition of all or substantially all of the Company’s assets.

Notwithstanding the foregoing or anything in the Agreement to the contrary, if any payment under this Agreement is “deferred compensation” for purposes of Code Section 409A, the foregoing definition shall be modified to the extent necessary to avoid the imposition of an excise tax under Code Section 409A.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Committee” means the Management Development and Compensation Committee of the Board or a successor Committee of the Board.

“Common Stock” means the common stock, \$1 par value, of Air Products.

“Company” means Air Products and any successor in interest thereto, and any affiliate of Air Products in which it holds, directly or indirectly, a controlling interest and to whom your employment has been transferred with your consent.

“Contract Period” shall mean the period commencing on a Change in Control and ending two years following the Change in Control.

“Disability” shall exist where, as a result of your incapacity due to physical or mental illness or injury you have been absent from the performance of your duties with the Company for at least six consecutive months. <sup>4</sup>

“Fair Market Value” shall have the meaning set forth in the Long-Term Incentive Plan.

“Fiscal Year” shall mean the fiscal year of the Company which commences on October 1 of each calendar year and ends on September 30 of the following calendar year, or such other fiscal year as the Company may adopt for keeping its financial records.

“Good Reason” shall mean the occurrence of any of the following without your consent:

- A. A material adverse change, during the Contract Period, in your position or office with the Company, or a material diminution in the duties, reporting responsibilities and authority with the Company which you held and performed during the ninety-day period immediately preceding the beginning of the Contract Period, or an assignment to you of duties or responsibilities, which are materially inconsistent

<sup>4</sup> Mr. Ghasemi’s Agreement also will provide: “Employment Agreement shall mean the Employment Agreement entered between you and the Company dated 17 June 2014.”

with your status or position with the Company immediately prior to the Change in Control; provided that, any of the foregoing in connection with termination of your employment for Cause, Retirement or Disability shall not constitute Good Reason. Your determination that any of the foregoing has occurred shall be presumed to be correct, unless refuted by the Company by clear and convincing evidence.

- B. The failure by the Company to pay you a Base Salary, in substantially equal installments conforming with the Company's normal pay practices, at a rate at least equal to your Base Salary rate in effect immediately before the beginning of the Contract Period or a failure to increase such Base Salary each year, beginning one year after the last increase in your Base Salary occurring before the beginning of the Contract Period, by an amount which at least equals, on a percentage basis, the average annual percentage increase in your Base Salary during the three full Fiscal Years immediately preceding the beginning of the Contract Period; provided, however, that the Company may reduce your Base Salary or adjust your Base Salary on a smaller percentage basis if such reduction or adjustment is no less favorable to you on a percentage basis than the average annual percentage reduction or adjustment during the applicable Fiscal Year for all Highly Compensated Employees.
- C. The failure by the Company to continue the Annual Incentive Plan or initiate and maintain other similar plans, programs or practices (collectively, the "Bonus Plans"), in each case on terms that provide to you, beginning no later than the beginning of the first Fiscal Year after the beginning of the Contract Period, annual incentive opportunities (i) at least equal in amount to your "Target Annual Bonus" under the Annual Incentive Plan for the Fiscal Year immediately preceding the beginning of the Contract Period, and (ii) payable upon the attainment of performance targets that are comparable (both in type and level of difficulty) to those established under the Annual Incentive Plan during the three Fiscal Years immediately preceding the beginning of the Contract Period; provided, however, that the Company may reduce or adjust your annual incentive opportunities to a lower amount if such reduction or adjustment is on a basis no less favorable to you than the basis upon which it reduces or adjusts annual incentive opportunities under the Bonus Plans or comparable plans for all Highly Compensated Employees during the applicable Fiscal Year;
- D. The failure by the Company to continue the Long-Term Incentive Plan or initiate and maintain other plans, programs or practices (collectively, the "Incentive Plans"), in each case on terms that grant to you, beginning no later than the beginning of the first Fiscal Year after the beginning of the Contract Period, annual awards that are at least equal in the aggregate to the average value, determined based on valuation models normatively used by publicly held corporations of similar size to the Company in setting long term incentive compensation levels, of your aggregate annual awards granted each year for the last three Fiscal Years preceding the beginning of the Contract Period; provided, however, that if the Company provides the Incentive Plans or comparable plans for Highly Compensated Employees, the Company may maintain the level of awards granted to you each year under the Incentive Plans at a lower value if such benefits are determined on a basis no less favorable to you than for all Highly Compensated Employees during the applicable Fiscal Year.

- E. The material breach by the Company of any of its obligations under this Agreement, any other agreement entered into by you and the Company, or a continued arbitrary refusal by the Company to pay you your accrued benefits under any benefit plan, program or arrangement maintained by the Company and in which you are a participant;
- F. A material reduction in your aggregate benefits under, or a failure by the Company to continue in effect, any employee pension benefit or welfare benefit plan, program or practice in which you are eligible to participate immediately before the beginning of the Contract Period, including but not limited to, the Pension Plans, the Savings Plans, and the Company's life insurance, medical, dental, health and accident, disability, severance and paid vacation plans, programs and practices (such plans, programs and practices herein together referred to as the "APCI Benefit Plans"), or, in lieu thereof, to initiate and maintain other plans, programs or practices providing you with benefits substantially similar in type and amount to those under the APCI Benefit Plans, with your aggregate benefits under the APCI Benefit Plans and such similar benefit plans (together, the "Benefit Plans") being comparable in type and amount to your benefits under the APCI Benefit Plans immediately before the beginning of the Contract Period, or the Company's failure to maintain for you any other material fringe benefit or perquisite enjoyed by you immediately before the beginning of the Contract Period; provided however that the Company may reduce or adjust the aggregate benefits payable to you if such reduction is on a basis no less favorable to you than the basis on which the Company reduces or adjusts aggregate benefits payable with respect to Highly Compensated Employees.
- G. Any purported termination of your employment for Disability or for Cause which is effected in breach of the procedures required in Section 3.
- H. The breach by the Company of its obligations to obtain the written assumption of this Agreement by any successor of the Company prior to the effectiveness of any such succession.
- I. A requirement by the Company that you relocate your principal place of employment by more than fifty (50) miles from the location in effect immediately prior to the Change in Control.

Notwithstanding anything to the contrary contained herein, your termination of employment will not be treated as for Good Reason as the result of the occurrence of any event specified in the foregoing clauses A through I (each such event, a "Good Reason Event") unless, within 90 days following the occurrence of such event, you provide written notice to the Company of the occurrence of such event, which notice sets forth the exact nature of the event and the conduct required to cure such event. The Company will have 30 days from the receipt of such notice within which to cure such event (such period, the "Cure Period"). If, during the Cure Period, such event is remedied, you will not be permitted to terminate your employment for Good Reason. If, at the end of the Cure Period, the Good Reason Event has not been remedied, your voluntary termination of employment will be treated as for Good Reason during the 90-day period that follows the end of the Cure Period. If you terminate employment during such 90-day period, so long as you have delivered the written notice to the Company of the occurrence of the Good Reason Event at any time prior to the expiration of this Agreement, for purposes of the payments, benefits and other entitlements under this Agreement, the

termination of your employment pursuant thereto shall be deemed to be a termination before the expiration of this Agreement. If you do not terminate employment during such 90-day period, you will not be permitted to terminate employment and receive the payments and benefits set forth under this Agreement as a result of such Good Reason Event.

“Highly Compensated Employees” shall mean the highest paid one percent of employees of the Company together with all corporations, partnerships, trusts, or other entities controlling, controlled by, or under common control with, the Company.

“Incentive Plans” shall have the meaning set forth in clause (D) under the definition of Good Reason.

“Long Term Incentive Plan” shall mean the Air Products and Chemicals, Inc. Long Term Incentive Plan and/or any similar, successor or substitute long-term incentive compensation plan or program.

“Notice Date” shall mean the date a Termination Notice prepared by the Company or you is received by you or the Company, respectively.

“Pension Plans” shall mean, the Air Products and Chemicals, Inc. Pension Plan for Salaried Employees, as amended from time to time together with any similar, succeeding or substitute plan, and the Supplementary Pension Plan of Air Products and Chemicals, Inc. as amended from time to time, together with any similar, succeeding or substitute plan, and any private annuity or pension agreement between you and the Company.<sup>5/6</sup>

“Retirement” shall mean (1) your voluntary retirement with an immediate non-actuarially reduced pension under the Pension Plans, provided that Termination for Good Reason before attaining normal retirement age under the Pension Plans shall not be deemed a Retirement for purposes of this Agreement even though you are eligible for and elect to receive, an immediate non-actuarially reduced pension under the Pension Plans, or (2) Termination of Employment in accordance with any retirement arrangement other than under the Pension Plans which is established with your consent with respect to you, provided that Termination for Good Reason shall not be deemed a Retirement for purposes of this Agreement even though you are eligible to retire, and receive benefits under, any such retirement arrangement, or (3) mandatory retirement as set forth under a policy of the Company as it existed prior to the Change in Control or as agreed to by you following a Change in Control.

“Retirement Savings Plan” shall mean the Air Products and Chemicals, Inc. Retirement Savings Plan, as amended from time to time, together with any similar, succeeding or substitute plan.

“Savings Plans” shall mean the Air Products and Chemicals, Inc. Retirement Savings Plan, as amended from time to time, together with any similar, succeeding or substitute plan, and the Air Products and Chemicals, Inc. Deferred Compensation Plan, as amended from time to time, together with any similar, succeeding or substitute plan.

<sup>5</sup> Mr. Ghasemi’s agreement will not contain this definition as he is not a participant in the Company’s defined benefit pension plans.

<sup>6</sup> Mr. Ghasemi’s agreement will define “Retirement” as: “the expiration of the Term of the Employment Agreement on 30 September 2019.”

“Section 409A” shall mean Section 409A of the Code and the regulations thereunder as in effect from time to time.

“Target Annual Bonus” shall mean your target bonus under the Annual Incentive Plan which is approved by the Committee for the applicable Fiscal Year or, if no such target bonus has been determined for such Fiscal Year, such target bonus for the most recent Fiscal Year for which one was determined;

“Termination Date” means the effective date of a Termination of Employment for any reason, including death, Disability, or Retirement, whether by the Company or you, subject to subsection 3B.

“Termination”, “Termination of Employment” or “Termination of your Employment” shall mean the termination of your employment with the Company, whether by you or the Company.

“Termination Notice” shall mean the notice required by Subsection 3A.

## 2. TERM OF AGREEMENT

This Agreement will commence on the date of your signing hereof and will continue while you are in the active employment of the Company until 30 September 2014 and, beginning on 1 October 2014 and each one year anniversary thereof, the term of this Agreement will automatically be extended for one additional year unless, at least (90) ninety days prior to such date, either party gives written notice to the other that it does not wish to extend this Agreement. Notwithstanding any such written notice, if a Change in Control shall have occurred prior to receipt of the notice or does occur within (90) ninety days of receipt of the notice, the attempted termination of the Agreement by the Company shall be ineffective and the Agreement shall continue until the end of the Contract Period. If a Change in Control otherwise occurs during the term of this Agreement, this Agreement will continue in effect until the end of the Contract Period.

## 3. TERMINATION PROCEDURES

A. Termination Notice. During the Contract Period, any Termination of Employment by the Company or by you must be communicated by a written Termination Notice to the other party hereto. The “Termination Notice” must (i) specify the Termination Date; (ii) indicate the specific provisions in this Agreement, if any, applicable to the Termination and set forth in reasonable detail the facts and circumstances, if any, claimed to provide a basis for application of the provision so indicated; and (iii) if given by the Company to you for other than Disability or Cause, specify, with supporting calculations, the amount the Company believes to be payable to you under this Agreement as a result of such Termination.

B. Termination Date. “Termination Date” shall be: (i) if your employment is terminated due to your death, the date of your death, (ii) if your employment is terminated for Disability, at least forty-five days after the Termination Notice is given (provided that you have not returned to the full-time performance of your duties during such period), and (iii) if your employment is terminated for any other reason, the date specified in the Termination Notice by the party giving the Notice, which date must be at least forty-five days after the Termination Notice if given by the Company for any reason other than Cause.

4. COMPENSATION UPON TERMINATION OF EMPLOYMENT.

A. Termination for Cause, Death, Disability, or Retirement. If during the Contract Period the Company terminates your employment for Cause, or your employment terminates due to death, Disability or Retirement, the Company shall pay to you as soon as practicable but no later than 30 days after the Termination Date (i) your Base Salary to the extent earned but unpaid as of the Termination Date and vacation pay accrued through the Termination Date, plus (ii) any benefits or awards which have been earned by you or become payable to you under any policy or employee compensation or benefit plan of the Company. <sup>7</sup> The benefits payable to you due to your death, Disability, Retirement or other Termination of Employment under all Benefit Plans, Bonus Plans and Incentive Plans in which you are participating before such Termination of Employment, will be paid as provided under such plans and the Company will have no further obligation.

B. Termination other than for Cause, Death, Retirement or Disability or for Good Reason. If during the Contract Period the Company terminates your employment other than for death, Retirement, Disability or Cause (it being understood that a purported termination for Disability or Cause which is disputed and finally determined not to have been proper or which is not effected in accordance with the procedures required in Section 3 will be a Termination other than for Cause or Disability), or you terminate your employment for Good Reason, then Air Products will provide you or cause you to be provided the payments and benefits described below in this Subsection 4B.

(i) Cash Payment. The Company will pay to you on or before the tenth day following your Termination Date, a lump sum cash payment equal to the sum of the following amounts:

(a) Your earned but unpaid Base Salary through your Termination Date at the higher of the rate in effect on the Termination Date or the rate in effect immediately before any purported reduction in your Base Salary constituting Good Reason and the vacation pay that you accrued through the Termination Date.

(b) The product of (I) the amount of the Target Annual Bonus for which you would have been eligible if you had been employed by the Company on the last day of the Fiscal Year (or other bonus performance cycle that includes your Termination Date), multiplied by (II) a fraction of which the numerator is the number of days which have elapsed through the Termination Date in such Fiscal Year (or, if applicable, such other bonus performance cycle that includes your Termination Date) and the denominator is 365 (or, if applicable, the number of days in such other performance cycle that includes your Termination Date).

(c) Two<sup>8</sup> times the sum of (I) your Base Salary at the rate required by subparagraph (i)(a) above and (II) the Company matching contributions made and/or accrued in respect of your contributions to or deferrals under the Savings Plans during and/or for the last full Fiscal Year of the Company preceding your Termination Date.

<sup>7</sup> Mr. Ghasemi's agreement also will provide: "or under the Employment Agreement."

<sup>8</sup> Three for Mr. Ghasemi.

(d) Two<sup>9</sup> times the Target Annual Bonus for the Fiscal Year or other bonus performance cycle in which your Termination Date occurs.

(e) (I) If you are a participant in the Pension Plans and are not a Core Contribution Participant under the Retirement Savings Plan, a pension payment equal to the difference between the actuarial present values as of the Termination Date of:

(A) your accrued vested pension benefits under the Pension Plans, calculated assuming that payment of the benefits will commence in the form of a straight life annuity on the earliest date on which you could commence payment if you are eligible for an early retirement subsidy on any portion of your accrued benefits on the Termination Date, or on the first day of the month after you attain age 65 if you are not; and

(B) your accrued vested pension benefits under the Pension Plans calculated by adding two years of service to the actual service credited under such plans for benefit accrual and vesting purposes and including any early retirement subsidy available under the Pension Plans (as in effect immediately prior to the beginning of the Contract Period) for which you are not eligible due to termination before satisfying age and service requirements for such subsidy, and assuming that your benefit will commence in the form of a straight life annuity on the earliest date on which you could retire and commence a benefit under the Pension Plans.

For purposes of calculating the actuarial present values of (A) and (B) above, the interest rate shall be the average of the average monthly yields for municipal bonds published monthly by Moody's Investors' Service Inc. for the three months immediately preceding your Termination Date and the life expectancy assumptions shall be those most frequently used by the Pension Plans' actuaries for other purposes. The calculation of the pension payment described in this subparagraph shall be made by a nationally recognized firm of enrolled actuaries acceptable to you and the Company. The Company shall pay the reasonable fees and expenses of such actuarial firm. The calculation made by such actuarial firm shall be binding on you and the Company; or<sup>10</sup>

(II) If you are a Core Contribution Participant in the Retirement Savings Plan, a payment (in lieu of the payment described in clause (I) above) equal to the Company Core Contributions and Core Credits (as defined in the Savings Plans) that you would have received under the Savings Plans during the two-year<sup>11</sup> period following the Termination Date assuming that (i) you remained actively employed by the Company during such two-year<sup>12</sup> period, (ii) your Base Salary continued at the higher of the rate in effect on the Termination Date or the rate in effect immediately prior to any purported reduction in your Base Salary constituting Good Reason and (iii) your Annual Incentive Plan awards were equal in amount to the higher of the most recent award received prior to the Termination Date and the average of the awards available to you under the Annual Incentive Plan during and/or for each of the three full Fiscal Years immediately preceding the beginning of the Contract Period.

<sup>9</sup> Three years for Mr. Ghasemi.

<sup>10</sup> This provision will not be in Mr. Ghasemi's agreement as he is not a participant in the Company's defined benefit pension plans.

<sup>11</sup> Three years for Mr. Ghasemi.

<sup>12</sup> Three years for Mr. Ghasemi.

(f) For purposes of subparagraphs (i)(c), (i)(d) and (i)(e) of this Subsection 4B, in the event you have attained age 63 on or before your Termination Date, the amounts payable shall be reduced to an amount which bears the same proportion to the unreduced amount as the number of months preceding your sixty-fifth birthday bears to twenty-four.<sup>13</sup>

(g) The amount of the payment described in (a)-(f) shall be reduced to the extent of any severance or redundancy benefit or payment sponsored by the Company and/or provided or required by applicable law or regulation, which is received by you on account of your Termination of Employment.

(h) If the amount of the payment described in (a)-(g) above, including a reduced amount calculated pursuant to paragraph 4(b)(vi) below, cannot be finally determined on or before the tenth day following the Termination Date, the Company will pay to you on such day an estimate, as determined in good faith by the Company, of the minimum amount of such payment and will pay the remainder of such payment as soon as the amount thereof can be determined but in no event later than the thirtieth day after your Termination Date.

(ii) **Insurance and Welfare Benefit Plans.** The Company will provide for you and your dependents for two<sup>14</sup> years following your Termination Date, benefits equivalent to those provided by the Company under all life insurance, medical, dental, health and accident, long term disability, long term care plans or programs in which you were participating on your Termination Date or, in the event of a reduction in such benefits constituting Good Reason, equivalent to those provided immediately before such reduction; provided that, such benefits will not be provided beyond the period of time during which they would have been provided to you under such plans or programs, as in effect on your Termination Date or immediately before a reduction constituting Good Reason, had you not been Terminated other than for death, Retirement, Disability or Cause or Terminated for Good Reason, and such benefits will be provided for at least the period during which they would have been provided to you were this Agreement not in effect. In the event of your death during such two-year<sup>15</sup> period, benefits in respect of you or to your beneficiaries will be provided in accordance with the terms of such plans or programs as if you were actively employed by the Company on the date of your death. Any continuation of benefits pursuant to this subparagraph shall not run concurrent with any continuation rights provided pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), and for purposes of applying COBRA with respect to your coverage under any group health plan, the end of coverage under this subparagraph shall be deemed to be the date of a qualifying event resulting from the termination of a covered employee. Except as specifically permitted by Section 409A, the coverage provided to you during any calendar year will not (A) affect the coverage to be provided to you in any other calendar year and (B) be subject to liquidation or exchange for another benefit. Notwithstanding anything herein to the contrary, the cost of continued benefits provided pursuant to this clause (ii) shall be shared by you and the Company in the same proportion and on the same terms as such costs were shared by you and the Company prior to your Termination Date or the proportion and terms in effect immediately prior to any purported change constituting Good Reason.

<sup>13</sup> This provision will not be included in Mr. Ghasemi's agreement.

<sup>14</sup> Three years for Mr. Ghasemi.

<sup>15</sup> Three years for Mr. Ghasemi.



(iii) Legal Fees and Expenses. The Company will reimburse you for all legal and other fees and expenses incurred by you as a result of Termination of Employment, including without limitation all such fees and expenses, if any, reasonably incurred in verifying the amount of the benefits owed by the Company under this Agreement, in contesting or disputing the fact or nature of any such Termination, in seeking to obtain or enforce any right or benefit provided by this Agreement and/or in connection with any tax audit or proceeding with respect to payments made or to be made hereunder. The Company will pay, to the fullest extent permitted by law, all legal fees and expenses which you may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company of the validity or enforceability of, or liability under or as a result of, any provision of this Agreement or any guarantee of performance thereof. Any payment to you by the Company under this clause (iii) shall be limited to expenses incurred by you prior to the tenth anniversary of the expiration of this Agreement. All reimbursable expenses shall be reimbursed to you as promptly as practicable and in any event not later than the last day of the calendar year after the calendar year in which the expenses are incurred. The amount of expenses eligible for reimbursement during any calendar year will not (A) affect the amount of expenses eligible for reimbursement in any other calendar year or (B) be subject to liquidation or exchange for another benefit.

(iv) Outplacement Counseling. The Company shall, within 30 days of the Termination Date, make available to you at the Company's expense, outplacement counseling at times and locations that are convenient to you, with a nationally recognized outplacement counseling firm. You may select the organizations that will provide the outplacement counseling. The outplacement services will be provided for a period of 12 months following the Termination Date.

(v) Interest on Unpaid Amounts. The Company shall pay you interest, compounded quarterly, on any unpaid amount determined to be payable by the Company to you under this Agreement from the date such amount would first have been payable to you during the Contract Period in accordance with the provisions of this Agreement until paid, such interest to be calculated on the basis of 120% of the applicable federal funds rate, as provided for in Section 1274(c) of the Code, in effect from time to time during the period of such nonpayment.

(vi) Long Term Incentive Plan Awards. Any awards granted to you under the Long Term Incentive Plan shall be treated in connection with a Change in Control in the manner provided under the Long Term Incentive Plan and your Award Agreements thereunder.

(vii) Potential Limit on Payments. Notwithstanding any other provision in this Subsection 4B, in the event that an excise tax under Code Section 4999 would be assessed on payments or other benefits to be received by you upon a Change in Control, you will be entitled to receive whichever of the following amounts would result in the largest aggregate amount being retained by you after the application of all applicable federal, state, and local taxes:

- (a) All payments and other benefits described under paragraphs (i) through (vi) of this Subsection 4B; or

(b) Reduced payments and other benefits described under paragraphs (i) through (vi) of this Subsection 4B which have an aggregate value equal to the highest amount that, together with all other payments and benefits to be received by you which are parachute payments within the meaning of Code Section 4999, does not exceed three times your “base amount” (within the meaning of Code Section 280G).

The determination of whether (a) or (b) above would result in the largest aggregate amount being retained by you after taxes and the calculation of the amount described in (b) shall be made, at the Company’s expense, by a nationally recognized public accounting firm acceptable to you. If a reduced amount is to be paid under clause (b) above, you will be notified no later than the fifth day following the Termination Date and will be entitled to choose which payments and benefits you will receive and which will be reduced or eliminated in order for the total payments and benefits to be received by you to equal the value described in (b).<sup>16</sup>

(viii) Mitigation. You shall not be obligated to seek other employment or take any other action to mitigate the amounts payable to you under any of the provisions of this Agreement, nor shall the amount of any payment hereunder be reduced by any compensation earned as result of your employment by another employer, except that any continued insurance and welfare benefits provided for by paragraph (ii) shall not duplicate any benefits that are provided to you and your family by such other employer and shall be secondary to any coverage provided by such other employer.

C. Tax Withholding: Survival of Obligations. Any payments provided for under this Agreement shall be paid net of any applicable withholding required under federal, state or local law. The obligations of the Company set forth in this Section 4 shall survive your Termination of Employment and the end of the Contract Period to the extent not previously performed in full.

## 5. INDEMNIFICATION

If you are made a party or threatened to be made a party to or are otherwise involved at any time before or during the Contract Period in any action, suit or proceeding, other than one instituted by you or by the Internal Revenue Service, whether civil, criminal, administrative or investigative (hereinafter a “proceeding”) by reason of the fact that you are a party to this Agreement, you will be indemnified and held harmless by the Company, to the fullest extent permitted by applicable law (regardless of the outcome of the proceeding), against all

<sup>16</sup> In lieu of this paragraph, Mr. Ghasemi’s agreement provides:

“The determination of whether (a) or (b) above would result in the largest aggregate amount being retained by you after taxes and the calculation of the amount described in (b) shall be made, at the Company’s expense, by a nationally recognized public accounting firm acceptable to you. If a reduced amount is to be paid under clause (b) above, the Company will provide you with notice of such determination no later than the fifth day following the Termination Date, and, unless you have given prior written notice to the Company specifying a different order and such right to give such directions would not be in violation of Code Sections 280G or 409A, the Company shall reduce or eliminate the payments or benefits provided in this Subsection 4B, by first reducing or eliminating the portion of such payments or benefits which are not payable in cash and then by reducing or eliminating vesting of whole shares not subject to Treasury Regulation 280G-1, Q&A 24(c) and then by reducing options subject to Treasury Regulation 280G-1 Q&A 24(c) and finally by reducing whole shares subject to Treasury Regulation 280G-1, Q&A 24(c), in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time from the determination made pursuant to the preceding sentence.”

expense, liability and loss (including attorney's fees, judgments, fines and amounts paid in settlement) reasonably incurred or suffered by you in connection therewith. You will notify the Company in the event of the commencement or threat of commencement of any proceeding in respect of which indemnity may be sought under this Section.

The Company will at its expense participate in and assume the defense of any such proceeding, including the employment of counsel chosen by it (and as to whom you have no reasonable objection) and the payment of the fees and disbursements of such counsel. You will cooperate with the Company in respect of such defense and may retain separate counsel at your expense to participate in such defense. In the event that, in the opinion of your counsel, you and the Company or any other executive represented by the Company's counsel in such proceeding have a conflict of interest in respect of the proceeding, then you may employ counsel as separate counsel to represent or defend you in the proceeding and the Company will pay for the reasonable fees and disbursements of such counsel. The provisions of this paragraph shall be inapplicable to any proceeding instituted by the Company during the Contract Period which shall, as to your defense and fees and expenses thereof, be governed by paragraph (iii) of Subsection 4B hereof.

Your rights under this Section 5 are not exclusive of any other right which you may have or hereafter acquire under any statute, certificate of incorporation, by-law, agreement, insurance policy or otherwise, and shall survive your Termination of Employment and the end of the Contract Period.

#### 6. SUCCESSORS; BINDING AGREEMENT

Air Products will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of Air Products, to expressly, by written agreement in form and substance satisfactory to you, assume and agree to perform this Agreement in the same manner and to the same extent that Air Products would be required to perform it if no such succession had taken place. As used in this Agreement, during the Contract Period "Air Products" means Air Products as herein before defined and any successor to its business and/or assets as aforesaid which executes and delivers the agreement provided for in this Section 6 or which becomes bound by all the terms and provisions of this Agreement by operation of law or otherwise.

This Agreement will inure to the benefit of and be enforceable by your personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees, but neither this Agreement nor any of your rights or obligations hereunder may be assigned or pledged by you. If you should die while any amounts would still be payable to you under Subsection 4B hereof if you had continued to live, all such amounts, unless otherwise provided herein, will be paid in accordance with the terms of this Agreement to your devisee, legatee or other designee or, if there be no such designee, to your estate.

#### 7. NOTICE

For purposes of this Agreement, notices and all other communications provided for in this Agreement must be in writing and will be deemed to have been duly given when delivered or mailed by United States certified mail, return receipt requested, postage prepaid, as to you, addressed to your address set forth on the first page of this Agreement, and as to Air Products, addressed to the address printed on the first page of this Agreement or such other location as you know to be the chief executive offices of Air Products directed to the attention

of the chief executive officer<sup>17</sup> of Air Products with a copy to the secretary of Air Products. You and Air Products may change your respective notice addresses hereunder by furnishing such new address to the other in writing in accordance herewith, except that notices of change of address will be effective only upon receipt.

8. MISCELLANEOUS

A. Amendment; Waiver. Except as specifically provided in clause 9(G)(iv), no provisions of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing signed by you and the Company's chief executive officer<sup>18</sup> or another officer of the Company specifically designated by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

Notwithstanding the foregoing, prior to a Change in Control the Company may unilaterally amend this Agreement as may from time to time be required to assure that this Agreement does not violate or cause the Company to be in violation of applicable law or that any payment provided for hereunder would not be prohibited by applicable law; provided that all other employment or other agreements between the Company and other key members of its management substantially similar to this Agreement are similarly amended at such time.

B. Nondisclosure. You hereby ratify and affirm, and agree to be bound by, the terms and provisions of your Employee Patent, Copyright and Confidential Information Agreement with the Company dated \_\_\_\_\_ (your "Employee Agreement") during the Contract Period and thereafter in accordance with the terms of your Employee Agreement, which Agreement is incorporated by reference herein and made a part hereof as if set forth in full herein.

C. Exclusive Agreement. Except for your Employee Agreement<sup>19</sup> and any similar, succeeding or substitute agreement between you and the Company, no agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. Notwithstanding any other provision of this Agreement, this Agreement does not affect the Company's right to terminate your employment or to alter your compensation, benefits, position or other terms and conditions of employment with the Company prior to a Change in Control, or your right to resign from employment with the Company prior to a Change in Control, and any such termination, resignation or other action with respect to your terms and conditions of employment prior to a Change in Control will give rise to no rights or obligations in either of the parties hereto under this Agreement.

D. Other Plans and Programs. Nothing in this Agreement shall prevent or limit your continuing or future participation in any benefit, bonus, incentive or other plan or program provided by the Company and for which you may qualify, nor shall anything herein limit or otherwise affect such rights as you may have under any such plan or program. Except as

<sup>17</sup> General Counsel in Mr. Ghasemi's agreement.

<sup>18</sup> General Counsel in Mr. Ghasemi's agreement.

<sup>19</sup> Mr. Ghasemi's agreement will also except his Employment Agreement.

expressly provided herein, amounts which are vested benefits or which you are otherwise entitled to receive under any plan or program of the Company at or subsequent to your Termination Date shall be payable in accordance with such plan or program, unless you should expressly waive your rights thereto in writing.

E. Governing Law; Validity; References to Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the Commonwealth of Pennsylvania. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision or provisions of this Agreement, which shall remain in full force and effect. All references herein to sections of the Act or the Code shall be deemed also to refer to any successor provisions to such sections.

F. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

G. Section 409A.

(i) It is intended that the provisions of this Agreement comply with Section 409A, and all provisions of this Agreement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A.

(ii) Neither you nor any of your creditors or beneficiaries shall have the right to subject any deferred compensation (within the meaning of Section 409A) payable under this Agreement or under any other plan, policy, arrangement or agreement of or with the Company or any of its affiliates (this Agreement and such other plans, policies, arrangements and agreements, the "Company Plans") to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment. Except as permitted under Section 409A, any deferred compensation (within the meaning of Section 409A) payable to you or for your benefit under any Company Plan may not be reduced by, or offset against, any amount owed by you to the Company or any of its affiliates.

(iii) If, at the time of your separation from service (within the meaning of Section 409A), (I) you shall be a specified employee (within the meaning of Section 409A and using the identification methodology selected by the Company from time to time) and (II) the Company shall make a good faith determination that an amount payable under a Company Plan constitutes deferred compensation (within the meaning of Section 409A) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A in order to avoid taxes or penalties under Section 409A, then the Company shall not pay such amount on the otherwise scheduled payment date but shall instead accumulate such amount and pay it, without interest, on the first business day after such six-month period.

(iv) Notwithstanding any provision of this Agreement or any Company Plan to the contrary, in light of the uncertainty with respect to the proper application of Section 409A, the Company reserves the right to make amendments to this Agreement and any Company Plan as the Company deems necessary or desirable to avoid the imposition of taxes or penalties under Section 409A. In any case, you are solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on you or for your account in connection with any Company Plan (including any taxes and penalties under Section 409A), and neither the Company nor any affiliate shall have any obligation to indemnify or otherwise hold you harmless from any or all of such taxes or penalties.

If this letter correctly sets forth our agreement on the subject matter hereof, kindly sign and return to the Company the enclosed copy of this letter which will then constitute our agreement on this subject.

Sincerely,

AIR PRODUCTS AND CHEMICALS, INC.

By: \_\_\_\_\_  
Title: Chairman, President, and Chief Executive Officer<sup>20</sup>

AGREED TO THIS \_\_\_ DAY OF \_\_\_\_\_

\_\_\_\_\_  
Enclosure

<sup>20</sup> Mr. Ghasemi's agreement will be signed by another officer of the Company.