

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended 31 March 2017

OR

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

For the transition period from _____ to _____

Commission file number 1-4534

AIR PRODUCTS AND CHEMICALS, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

23-1274455

(State or Other Jurisdiction of Incorporation or Organization)

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

7201 Hamilton Boulevard, Allentown, Pennsylvania

18195-1501

(Address of Principal Executive Offices)

(Zip Code)

610-481-4911

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated
filer

Accelerated
filer

Non-accelerated
filer

Smaller reporting
company

Emerging
growth company

(Do not check if a smaller reporting company)

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class

Outstanding at 31 March 2017

Common Stock, \$1 par value

217,724,491

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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

AIR PRODUCTS AND CHEMICALS, INC. and Subsidiaries
CONSOLIDATED INCOME STATEMENTS
(Unaudited)

(Millions of dollars, except for share data)	Three Months Ended		Six Months Ended	
	31 March		31 March	
	2017	2016	2017	2016
Sales	\$ 1,980.1	\$ 1,777.4	\$ 3,862.6	\$ 3,643.7
Cost of sales	1,403.8	1,213.0	2,721.9	2,508.9
Selling and administrative	177.9	167.8	343.6	341.7
Research and development	14.8	18.2	29.9	35.1
Business separation costs	—	7.4	30.2	19.4
Cost reduction and asset actions	10.3	10.7	60.3	10.7
Pension settlement loss	4.1	2.0	4.1	2.0
Other income (expense), net	22.0	13.3	46.7	18.2
Operating Income	391.2	371.6	719.3	744.1
Equity affiliates' income	34.2	32.3	72.2	65.6
Interest expense	30.5	25.7	60.0	47.9
Other non-operating income (expense), net	9.7	—	9.7	—
Income From Continuing Operations Before Taxes	404.6	378.2	741.2	761.8
Income tax provision	94.5	93.5	172.9	189.9
Income from Continuing Operations	310.1	284.7	568.3	571.9
Income (Loss) From Discontinued Operations, net of tax	1,825.6	(750.2)	1,873.8	(665.4)
Net Income (Loss)	2,135.7	(465.5)	2,442.1	(93.5)
Net Income Attributable to Noncontrolling Interests of Continuing Operations	5.7	5.8	12.3	12.1
Net Income Attributable to Noncontrolling Interests of Discontinued Operations	—	2.0	—	4.1
Net Income (Loss) Attributable to Air Products	\$ 2,130.0	\$ (473.3)	\$ 2,429.8	\$ (109.7)
Net Income Attributable to Air Products				
Income from continuing operations	\$ 304.4	\$ 278.9	\$ 556.0	\$ 559.8
Income (Loss) from discontinued operations	1,825.6	(752.2)	1,873.8	(669.5)
Net Income (Loss) Attributable to Air Products	\$ 2,130.0	\$ (473.3)	\$ 2,429.8	\$ (109.7)
Basic Earnings Per Common Share Attributable to Air Products				
Income from continuing operations	\$ 1.40	\$ 1.29	\$ 2.55	\$ 2.59
Income (Loss) from discontinued operations	8.38	(3.48)	8.61	(3.10)
Net Income (Loss) Attributable to Air Products	\$ 9.78	\$ (2.19)	\$ 11.16	\$ (.51)
Diluted Earnings Per Common Share Attributable to Air Products				
Income from continuing operations	\$ 1.39	\$ 1.28	\$ 2.53	\$ 2.57
Income (Loss) from discontinued operations	8.31	(3.45)	8.53	(3.08)
Net Income (Loss) Attributable to Air Products	\$ 9.70	\$ (2.17)	\$ 11.06	\$ (.51)
Weighted Average Common Shares – Basic (in millions)	217.9	216.1	217.8	215.9
Weighted Average Common Shares – Diluted (in millions)	219.7	217.9	219.6	217.8
Dividends Declared Per Common Share – Cash	\$.95	\$.86	\$ 1.81	\$ 1.67

The accompanying notes are an integral part of these statements.

AIR PRODUCTS AND CHEMICALS, INC. and Subsidiaries
CONSOLIDATED COMPREHENSIVE INCOME STATEMENTS
(Unaudited)

(Millions of dollars)	Three Months Ended	
	31 March	
	2017	2016
Net Income (Loss)	\$ 2,135.7	\$ (465.5)
Other Comprehensive Income, net of tax:		
Translation adjustments, net of tax of (\$8.0) and (\$19.1)	149.6	139.9
Net gain (loss) on derivatives, net of tax of (\$5.7) and \$10.2	(15.4)	12.8
Pension and postretirement benefits, net of tax of \$1.2	3.8	—
Reclassification adjustments:		
Currency translation adjustment	49.1	.4
Derivatives, net of tax of \$2.7 and (\$0.5)	5.8	(11.1)
Pension and postretirement benefits, net of tax of \$13.7 and \$11.3	30.1	22.7
Total Other Comprehensive Income	223.0	164.7
Comprehensive Income (Loss)	2,358.7	(300.8)
Net Income Attributable to Noncontrolling Interests	5.7	7.8
Other Comprehensive Income Attributable to Noncontrolling Interests	5.0	2.8
Comprehensive Income (Loss) Attributable to Air Products	\$ 2,348.0	\$ (311.4)

(Millions of dollars)	Six Months Ended	
	31 March	
	2017	2016
Net Income (Loss)	\$ 2,442.1	\$ (93.5)
Other Comprehensive Income (Loss), net of tax:		
Translation adjustments, net of tax of \$24.3 and (\$25.8)	(131.6)	37.0
Net gain (loss) on derivatives, net of tax of (\$16.4) and \$15.0	(25.2)	28.8
Pension and postretirement benefits, net of tax of \$1.2	3.8	—
Reclassification adjustments:		
Currency translation adjustment	49.1	2.8
Derivatives, net of tax of \$13.3 and (\$8.5)	31.4	(30.4)
Pension and postretirement benefits, net of tax of \$26.6 and \$21.4	57.5	43.8
Total Other Comprehensive Income (Loss)	(15.0)	82.0
Comprehensive Income (Loss)	2,427.1	(11.5)
Net Income Attributable to Noncontrolling Interests	12.3	16.2
Other Comprehensive Income Attributable to Noncontrolling Interests	1.9	2.8
Comprehensive Income (Loss) Attributable to Air Products	\$ 2,412.9	\$ (30.5)

The accompanying notes are an integral part of these statements.

AIR PRODUCTS AND CHEMICALS, INC. and Subsidiaries
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(Millions of dollars, except for share data)	31 March 2017	30 September 2016
Assets		
Current Assets		
Cash and cash items	\$ 1,869.3	\$ 1,293.2
Short-term investments	1,423.2	—
Trade receivables, net	1,176.3	1,146.2
Inventories	322.8	255.0
Contracts in progress, less progress billings	68.8	64.6
Prepaid expenses	61.9	93.9
Other receivables and current assets	362.0	538.2
Current assets of discontinued operations	9.8	926.2
Total Current Assets	5,294.1	4,317.3
Investment in net assets of and advances to equity affiliates	1,296.3	1,283.6
Plant and equipment, at cost	18,716.2	18,660.2
Less: accumulated depreciation	10,518.0	10,400.5
Plant and equipment, net	8,198.2	8,259.7
Goodwill, net	827.2	845.1
Intangible assets, net	377.6	387.9
Noncurrent capital lease receivables	1,147.9	1,221.7
Other noncurrent assets	730.2	671.0
Noncurrent assets of discontinued operations	—	1,042.3
Total Noncurrent Assets	12,577.4	13,711.3
Total Assets	\$ 17,871.5	\$ 18,028.6
Liabilities and Equity		
Current Liabilities		
Payables and accrued liabilities	\$ 1,490.6	\$ 1,652.2
Accrued income taxes	544.8	117.9
Short-term borrowings	122.3	935.8
Current portion of long-term debt	420.5	365.4
Current liabilities of discontinued operations	24.1	211.8
Total Current Liabilities	2,602.3	3,283.1
Long-term debt	3,300.4	3,909.7
Other noncurrent liabilities	1,897.9	1,816.5
Deferred income taxes	650.7	710.4
Noncurrent liabilities of discontinued operations	—	1,095.5
Total Noncurrent Liabilities	5,849.0	7,532.1
Total Liabilities	8,451.3	10,815.2
Commitments and Contingencies – See Note 11		
Air Products Shareholders' Equity		
Common stock (par value \$1 per share; issued 2017 and 2016 - 249,455,584 shares)	249.4	249.4
Capital in excess of par value	975.5	970.0
Retained earnings	12,692.5	10,475.5
Accumulated other comprehensive loss	(2,393.7)	(2,388.3)
Treasury stock, at cost (2017 - 31,731,093 shares; 2016 - 32,104,759 shares)	(2,206.3)	(2,227.0)
Total Air Products Shareholders' Equity	9,317.4	7,079.6
Noncontrolling Interests	102.8	133.8
Total Equity	9,420.2	7,213.4
Total Liabilities and Equity	\$ 17,871.5	\$ 18,028.6

The accompanying notes are an integral part of these statements.

AIR PRODUCTS AND CHEMICALS, INC. and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(Millions of dollars)	Six Months Ended	
	2017	2016
Operating Activities		
Net income (loss)	\$ 2,442.1	\$ (93.5)
Less: Net income attributable to noncontrolling interests of continuing operations	12.3	12.1
Less: Net income attributable to noncontrolling interests of discontinued operations	—	4.1
Net income (loss) attributable to Air Products	2,429.8	(109.7)
(Income) Loss from discontinued operations	(1,873.8)	669.5
Income from continuing operations attributable to Air Products	556.0	559.8
Adjustments to reconcile income to cash provided by operating activities:		
Depreciation and amortization	417.9	428.6
Deferred income taxes	(68.6)	80.0
Undistributed earnings of unconsolidated affiliates	(31.5)	(7.4)
Gain on sale of assets and investments	(6.5)	(2.3)
Share-based compensation	18.5	16.4
Noncurrent capital lease receivables	45.4	40.6
Write-down of long-lived assets associated with restructuring	45.7	—
Other adjustments	34.0	37.8
Working capital changes that provided (used) cash, excluding effects of acquisitions and divestitures:		
Trade receivables	(53.8)	46.1
Inventories	20.7	(1.1)
Contracts in progress, less progress billings	(5.0)	(38.3)
Other receivables	118.4	(54.4)
Payables and accrued liabilities	(178.6)	(191.5)
Other working capital	(51.4)	(24.3)
Cash Provided by Operating Activities	861.2	890.0
Investing Activities		
Additions to plant and equipment	(532.2)	(472.0)
Investment in and advances to unconsolidated affiliates	(8.9)	(1.5)
Proceeds from sale of assets and investments	13.5	38.1
Purchases of investments	(1,823.2)	—
Proceeds from investments	400.0	—
Other investing activities	(1.6)	(1.0)
Cash Used for Investing Activities	(1,952.4)	(436.4)
Financing Activities		
Long-term debt proceeds	1.3	—
Payments on long-term debt	(469.7)	(65.6)
Net decrease in commercial paper and short-term borrowings	(816.6)	(1.6)
Dividends paid to shareholders	(374.0)	(349.1)
Proceeds from stock option exercises	19.9	35.5
Other financing activities	(22.7)	(21.0)
Cash Used for Financing Activities	(1,661.8)	(401.8)
Discontinued Operations		
Cash (used for) provided by operating activities	(520.8)	182.1
Cash provided by (used for) investing activities	3,750.6	(127.3)
Cash provided by (used for) investing activities	69.5	(6.8)
Cash Provided by Discontinued Operations	3,299.3	48.0
Effect of Exchange Rate Changes on Cash	(7.8)	6.9
Increase in Cash and Cash Items	538.5	106.7
Cash and Cash Items – Beginning of Year	1,330.8	206.4
Cash and Cash Items – End of Period	\$ 1,869.3	\$ 313.1
Less: Cash and Cash Items – Discontinued Operations	—	26.4
Cash and Cash Items – Continuing Operations	\$ 1,869.3	\$ 286.7

The accompanying notes are an integral part of these statements.

AIR PRODUCTS AND CHEMICALS, INC. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Millions of dollars unless otherwise indicated, except for share data)

1. BASIS OF PRESENTATION AND MAJOR ACCOUNTING POLICIES

Refer to our 2016 Form 10-K for a description of major accounting policies. There have been no significant changes to these accounting policies during the first six months of fiscal year 2017 other than those detailed in Note 2, New Accounting Guidance. Certain prior year information has been reclassified to conform to the fiscal year 2017 presentation.

The results of our previous Material Technologies segment, which contained the Electronic Materials Division (EMD) and Performance Materials Division (PMD), and the former Energy-from-Waste segment have been presented as discontinued operations. Refer to Note 3, Discontinued Operations, for additional details. The results of operations and cash flows of these businesses have been removed from the results of continuing operations and segment results for all periods presented. The assets and liabilities of the discontinued operations have been reclassified and are segregated in the consolidated balance sheets. The comprehensive income related to these businesses has not been segregated and is included in the consolidated comprehensive income statement for all periods presented. The notes to the interim consolidated financial statements, unless otherwise indicated, are on a continuing operations basis.

As further discussed in Note 3, Discontinued Operations, we completed the sale of PMD to Evonik Industries AG on 3 January 2017. A portion of the proceeds from the sale have been included in "Short-term investments" on the consolidated balance sheets. Associated interest income has been reflected on the consolidated income statements as "Other non-operating income (expense), net."

The consolidated financial statements of Air Products and Chemicals, Inc. and its subsidiaries ("we," "our," "us," the "Company," "Air Products," or "registrant") included herein have been prepared by us, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (SEC). Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles (GAAP) have been condensed or omitted pursuant to such rules and regulations. In our opinion, the accompanying statements reflect adjustments necessary to present fairly the financial position, results of operations, and cash flows for those periods indicated, and contain adequate disclosure to make the information presented not misleading. Adjustments included herein are of a normal, recurring nature unless otherwise disclosed in the notes. The interim results for the periods indicated herein, however, do not reflect certain adjustments, such as the valuation of inventories on the last-in, first-out (LIFO) cost basis, which are only finally determined on an annual basis. The consolidated financial statements and related notes included herein should be read in conjunction with the financial statements and notes thereto included in our latest Form 10-K in order to fully understand the basis of presentation. Results of operations for interim periods are not necessarily indicative of the results of operations for a full year.

2. NEW ACCOUNTING GUIDANCE

Accounting Guidance Implemented in 2017

Consolidation Analysis

In February 2015, the Financial Accounting Standards Board (FASB) issued an update to amend current consolidation guidance. The guidance impacts the analysis an entity must perform in determining if it should consolidate certain legal entities such as limited partnerships, limited liability corporations, and securitization structures. We adopted this guidance in the first quarter of fiscal year 2017. This guidance did not have a significant impact on our consolidated financial statements upon adoption.

Debt Issuance Costs

In April 2015, the FASB issued guidance requiring that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of the debt instead of as a separate deferred asset. In addition, guidance was issued to allow for a policy election on the presentation of debt issuance costs associated with a line-of-credit arrangement, regardless of whether there are any outstanding borrowings. We adopted the guidance during the first quarter of fiscal year 2017 on a retrospective basis. The guidance resulted in a reclassification adjustment that decreased other noncurrent assets by \$17.0 with a corresponding decrease to long-term debt as of 30 September 2016. We will continue to present debt issuance costs associated with a line-of-credit arrangement as a deferred asset, regardless of whether there are any outstanding borrowings.

Adoption of this guidance also impacted the presentation of debt issuance costs related to our discontinued operations. As of 30 September 2016, noncurrent assets and noncurrent liabilities of discontinued operations were both reduced by \$9.6.

Share-Based Compensation

In March 2016, the FASB issued an update to simplify the accounting for employee share-based payments, including the income tax impacts, the classification on the statement of cash flows, and forfeitures. We elected to early adopt this guidance in the first quarter of fiscal year 2017. The new guidance requires excess tax benefits and deficiencies to be recognized in the income statement rather than in additional paid-in capital on the balance sheet. As a result of applying this change, we recognized \$2.7 and \$9.7 of excess tax benefits in our provision for income taxes during the three and six months ended 31 March 2017, respectively. In addition, adoption of the new guidance resulted in a \$8.8 cumulative-effect adjustment to retained earnings as of 1 October 2016 to recognize deferred taxes for U.S. state net operating loss and other carryforwards attributable to excess tax benefits. We retrospectively applied the guidance which requires presentation of excess tax benefits as an operating activity on the statement of cash flows rather than as a financing activity. Cash paid on employees' behalf related to shares withheld for tax purposes continues to be classified as a financing activity. Forfeitures have not been significant historically. We have elected to account for forfeitures as they occur, rather than to estimate them.

Definition of a Business

In January 2017, the FASB issued guidance that clarifies the definition of a business in order to assist in determining whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. Under the new guidance, fewer transactions are expected to be accounted for as business combinations. We elected to early adopt this guidance prospectively beginning in the first quarter of fiscal year 2017. This guidance did not have a significant impact on our consolidated financial statements upon adoption.

New Accounting Guidance to be Implemented

Revenue Recognition

In May 2014, the FASB issued guidance based on the principle that revenue is recognized in an amount expected to be collected and to which the entity expects to be entitled in exchange for the transfer of goods or services. We have the option to adopt the standard in either fiscal year 2018 or 2019 either retrospectively or as a cumulative-effect adjustment as of the date of adoption. We intend to adopt this guidance in fiscal year 2019. We are currently evaluating the adoption alternatives allowed by the new standard and the impact the standard is expected to have on our consolidated financial statements. As the new standard will supersede substantially all existing revenue guidance affecting us under GAAP, it could impact the amount and timing of revenue that we recognize, in addition to our business processes and information technology systems. To date, we have focused on identifying potential impacts on our onsite gases and sales of equipment businesses and on efforts needed to meet the expanded disclosure requirements. Our evaluation of the effect of the new standard will extend over future periods.

Leases

In February 2016, the FASB issued guidance which requires lessees to recognize a right-of-use asset and lease liability on the balance sheet for all leases, including operating leases, with a term in excess of 12 months. The guidance also expands the quantitative and qualitative disclosure requirements. The guidance is effective in fiscal year 2020, with early adoption permitted, and must be applied using a modified retrospective approach. We are currently evaluating the impact of adopting this new guidance on the consolidated financial statements, and we have started the assessment process by evaluating the population of leases under the revised definition of what qualifies as a leased asset. The Company is the lessee under various agreements for real estate, distribution equipment, aircraft, and vehicles that are currently accounted for as operating leases. The new guidance will require the Company to record operating leases on the balance sheet with a right-of-use asset and corresponding liability for future payment obligations. The Company is considered the lessor under certain agreements associated with facilities that are built to provide product to a specific customer.

Derivative Contract Novations

In March 2016, the FASB issued guidance to clarify that a change in the counterparty to a derivative instrument that has been designated as a hedging instrument does not, in and of itself, require re-designation of that hedging relationship provided that all other hedge accounting criteria continue to be met. This guidance is effective in fiscal year 2018, with early adoption permitted. We do not expect adoption of this guidance to have a significant impact on our consolidated financial statements.

Credit Losses on Financial Instruments

In June 2016, the FASB issued an update on the measurement of credit losses, which requires measurement and recognition of expected credit losses for financial assets, including trade receivables and capital lease receivables, held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The method to determine a loss is different from the existing guidance, which requires a credit loss to be recognized when it is probable. The guidance is effective beginning fiscal year 2021, with early adoption permitted beginning fiscal year 2020. We are currently evaluating the impact this update will have on our consolidated financial statements.

Cash Flow Statement Classification

In August 2016, the FASB issued guidance to reduce diversity in practice on how certain cash receipts and cash payments are classified in the statement of cash flows. The guidance is effective beginning fiscal year 2019, with early adoption permitted, and should be applied retrospectively. We are currently evaluating the impact of adopting this new guidance on the consolidated financial statements.

Intra-Entity Asset Transfers

In October 2016, the FASB issued guidance on the accounting for the income tax effects of intra-entity transfers of assets other than inventory. Current GAAP prohibits the recognition of current and deferred income taxes for an intra-entity asset transfer until the asset has been sold to an outside party. Under the new guidance, the income tax consequences of an intra-entity asset transfer are recognized when the transfer occurs. The guidance is effective beginning in fiscal year 2019, with early adoption permitted as of the beginning of an annual reporting period. The guidance must be applied on a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings as of the date of adoption. We are currently evaluating the impact this guidance will have on our consolidated financial statements and plan to adopt the guidance in fiscal year 2019.

Simplifying Goodwill Impairment Test

In January 2017, the FASB issued guidance to simplify the test for goodwill impairment by eliminating Step 2, which measured the impairment loss based on the fair value of goodwill. Under the new guidance, an impairment loss will be recognized for the amount by which the carrying amount of the reporting unit exceeds its fair value, not to exceed the total amount of goodwill allocated to that reporting unit. The guidance is effective for annual or interim goodwill impairments tests in fiscal year 2021 and should be applied prospectively. Early adoption is permitted for goodwill impairment tests performed on testing dates after 1 January 2017. We are currently evaluating the impact this update will have on our consolidated financial statements.

Derecognition of Nonfinancial Assets

In February 2017, the FASB issued an update to clarify the scope of guidance on gains and losses from the derecognition of nonfinancial assets and to add guidance for partial sales of nonfinancial assets. The update must be adopted at the same time as the new guidance on revenue recognition discussed above (i.e., intend to adopt fiscal year 2019). The guidance may be applied retrospectively or with a cumulative-effect adjustment to retained earnings at the date of adoption. We are currently evaluating the impact this update will have on our consolidated financial statements.

Presentation of Net Periodic Pension and Postretirement Benefit Cost

In March 2017, the FASB issued guidance on improving the presentation of net periodic pension cost and net periodic postretirement benefit cost. The amendments require that the service cost component of the net periodic benefit cost be presented in the same line items as other compensation costs arising from services rendered by employees during the period. The other components of net periodic benefit cost (e.g., interest cost, expected return on plan assets, and amortization of actuarial gains/losses) should be presented in the income statement separately from the service cost component and outside of operating income. The amendments also allow only the service cost component to be eligible for capitalization when applicable. The guidance is effective beginning in fiscal year 2019, with early adoption permitted as of the beginning of fiscal year 2018. The amendments should be applied retrospectively for the presentation requirements and prospectively for the capitalization of the service cost component requirements. We are currently evaluating the impact this update will have on our consolidated financial statements.

3. DISCONTINUED OPERATIONS

The divisions comprising the former Materials Technologies business and the Energy-from-Waste business have been accounted for as discontinued operations. The results of operations of these businesses have been removed from the results of continuing operations for all periods presented. The assets and liabilities of the discontinued operations have been reclassified and are segregated in the consolidated balance sheets.

Materials Technologies

On 16 September 2015, we announced plans to separate our Materials Technologies business, which contained two divisions, the Electronic Materials Division (EMD) and the Performance Materials Division (PMD). As further discussed below, we completed the separation of EMD through the spin-off of Versum Materials, Inc. (Versum) on 1 October 2016. In addition, we completed the sale of PMD to Evonik Industries AG (Evonik) on 3 January 2017. As a result, these divisions are reflected in our consolidated financial statements as discontinued operations for all periods presented.

Spin-off of Electronic Materials

On 1 October 2016 (the distribution date), Air Products completed the spin-off of Versum into a separate and independent public company by way of a distribution to Air Products' stockholders of all of the then issued and outstanding shares of common stock of Versum on the basis of one share of Versum common stock for every two shares of Air Products' common stock held as of the close of business on 21 September 2016 (the record date for the distribution). Fractional shares of Versum common stock were not distributed to Air Products' common stockholders. Air Products' stockholders received cash in lieu of fractional shares. As a result of the distribution, Versum is now an independent public company and its common stock is listed under the symbol "VSM" on the New York Stock Exchange.

In connection with the spin-off, we entered into various agreements necessary to effect the spin-off and to govern the ongoing relationships between Air Products and Versum after the separation, including a transition services agreement by which we provide certain transition services to Versum, generally for no longer than 12 to 24 months. Balances due to/from Versum as of 31 March 2017 primarily related to the transition services agreement and were immaterial. In addition, Seifi Ghasemi, chairman, president and chief executive officer of Air Products, is serving as non-executive chairman of the Versum Board of Directors.

Sale of Performance Materials

On 3 January 2017, we completed the sale of PMD to Evonik for \$3.8 billion in cash subject to customary post-closing adjustments, including working capital. A gain of \$2,870 (\$1,833 after-tax, or \$8.34 per share) was recognized on the sale in the second quarter of fiscal year 2017. In connection with the sale, we entered into a transition services agreement by which we provide certain transition services to Evonik for no longer than 12 months.

Energy-from-Waste

On 29 March 2016, the Board of Directors approved the Company's exit of its Energy-from-Waste (EfW) business. As a result, efforts to start up and operate the two EfW projects located in Tees Valley, United Kingdom, were discontinued. The decision to exit the business and stop development of the projects was based on continued difficulties encountered and the Company's conclusion, based on testing and analysis completed during the second quarter of fiscal year 2016, that significant additional time and resources would be required to make the projects operational. Since that time, the EfW segment has been presented as a discontinued operation. During the second quarter of fiscal year 2016, a loss of \$945.7 (\$846.6 after-tax) was recorded to write down plant assets to their estimated net realizable value and record a liability for plant disposition and other costs. Income tax benefits related only to one of the projects, as the other did not qualify for a local tax deduction.

During the first quarter of fiscal year 2017, we determined that it is unlikely for a buyer to assume the remaining assets and contract obligations, including the related land lease. As a result, we recorded an additional loss of \$59.3 (\$47.1 after-tax), of which \$53.0 was recorded primarily for land lease obligations and \$6.3 was recorded to update our estimate of the net realizable value of the plant assets as of 31 December 2016. There have been no changes to our estimates during the second quarter of fiscal year 2017. We may incur additional exit costs in future periods related to other outstanding commitments.

The following table summarizes the carrying amount of the accrual for our actions to dispose of the EfW business at 31 March 2017:

	Asset Actions	Contract Actions/Other	Total
Loss on disposal of business	\$ 913.5	\$ 32.2	\$ 945.7
Noncash expenses	(913.5)	—	(913.5)
Cash expenditures	—	(18.6)	(18.6)
Currency translation adjustment	—	(1.4)	(1.4)
30 September 2016	\$ —	\$ 12.2	\$ 12.2
Loss on disposal of business	6.3	53.0	59.3
Noncash expenses	(6.3)	—	(6.3)
Cash expenditures	—	(1.4)	(1.4)
Currency translation adjustments	—	1.1	1.1
31 March 2017	\$ —	\$ 64.9	\$ 64.9

The loss on disposal was recorded as a component of discontinued operations. Of the remaining accrual, approximately \$60 is included in other noncurrent liabilities of continuing operations and primarily relates to land leases and \$5 is included in current liabilities of discontinued operations.

The following tables detail the businesses and major line items that comprise income from discontinued operations, net of tax, on the consolidated income statements for the three and six months ended 31 March 2017:

	Three Months Ended 31 March 2017		
	Performance Materials	Energy- from-Waste ^(A)	Total Discontinued Operations
Cost of sales	\$ 3.3	\$ 3.0	\$ 6.3
Selling and administrative	2.1	—	2.1
Other income (expense), net	.7	(.4)	.3
Income (Loss) Before Taxes	(4.7)	(3.4)	(8.1)
Income tax provision	(.3)	(.9)	(1.2)
Income (Loss) From Operations of Discontinued Operations, net of tax	(4.4)	(2.5)	(6.9)
Gain on Disposal, net of tax (C)	1,832.5	—	1,832.5
Income (Loss) from Discontinued Operations, net of tax	\$ 1,828.1	\$ (2.5)	\$ 1,825.6

Six Months Ended
31 March 2017

	Performance Materials	Energy- from-Waste(A)	Total Discontinued Operations
Sales	\$ 254.8	\$ —	\$ 254.8
Cost of sales	182.3	9.6	191.9
Selling and administrative	22.5	.2	22.7
Research and development	5.1	—	5.1
Other income (expense), net	.3	(.1)	.2
Operating Income (Loss)	45.2	(9.9)	35.3
Equity affiliates' income	.3	—	.3
Income (Loss) Before Taxes	45.5	(9.9)	35.6
Income tax provision(B)	(50.8)	(2.0)	(52.8)
Income (Loss) From Operations of Discontinued Operations, net of tax	96.3	(7.9)	88.4
Gain (Loss) on Disposal, net of tax(C)	1,832.5	(47.1)	1,785.4
Income (Loss) from Discontinued Operations, net of tax	\$ 1,928.8	\$ (55.0)	\$ 1,873.8

(A) The loss from operations of discontinued operations for EfW primarily relates to land leases, administrative costs, and costs incurred for ongoing project exit activities.

(B) As a result of the expected gain on sale of PMD, we released valuation allowances related to capital loss and net operating loss carryforwards during the first quarter of 2017 that favorably impacted our income tax provision within discontinued operations by approximately \$66.

(C) After-tax gain on sale of \$1,832.5 includes expense for income tax reserves for uncertain tax positions of \$26.1 gross (\$19.1 net) in various jurisdictions.

The following tables detail the businesses and major line items that comprise income from discontinued operations, net of tax on the consolidated income statements for the three and six months ended 31 March 2016:

Three Months Ended
31 March 2016

	Electronic Materials	Performance Materials	Energy- from-Waste(A)	Total Discontinued Operations
Sales	\$ 230.7	\$ 263.1	\$ —	\$ 493.8
Cost of sales	127.6	178.3	3.2	309.1
Selling and administrative	20.0	19.5	.9	40.4
Research and development	9.5	4.9	.3	14.7
Other income (expense), net	2.8	4.9	.6	8.3
Operating Income (Loss)	76.4	65.3	(3.8)	137.9
Equity affiliates' income	—	.2	—	.2
Income (Loss) Before Taxes(B)	76.4	65.5	(3.8)	138.1
Income tax provision	16.7	22.3	2.7	41.7
Income (Loss) From Operations of Discontinued Operations	59.7	43.2	(6.5)	96.4
Loss on Disposal, net of tax	—	—	(846.6)	(846.6)
Income (Loss) from Operations of Discontinued Operations, net of tax	59.7	43.2	(853.1)	(750.2)
Net Income Attributable to Noncontrolling Interests of Discontinued Operations	2.0	—	—	2.0
Net Income (Loss) From Discontinued Operations, net of tax	\$ 57.7	\$ 43.2	\$ (853.1)	\$ (752.2)

Six Months Ended
31 March 2016

	Electronic Materials	Performance Materials	Energy- from-Waste(A)	Total Discontinued Operations
Sales	\$ 473.3	\$ 510.0	\$ —	\$ 983.3
Cost of sales	254.9	350.9	5.3	611.1
Selling and administrative	38.4	38.5	1.6	78.5
Research and development	19.6	9.9	.7	30.2
Other income (expense), net	5.0	3.7	(13.7)	(5.0)
Operating Income (Loss)	165.4	114.4	(21.3)	258.5
Equity affiliates' income	.2	.4	—	.6
Income (Loss) Before Taxes(B)	165.6	114.8	(21.3)	259.1
Income tax provision	41.6	36.9	(.6)	77.9
Income (Loss) From Operations of Discontinued Operations	124.0	77.9	(20.7)	181.2
Loss on Disposal, net of tax	—	—	(846.6)	(846.6)
Income (Loss) from Operations of Discontinued Operations, net of tax	124.0	77.9	(867.3)	(665.4)
Net Income Attributable to Noncontrolling Interests of Discontinued Operations	4.1	—	—	4.1
Net Income (Loss) From Discontinued Operations, net of tax	\$ 119.9	\$ 77.9	\$ (867.3)	\$ (669.5)

(A) The loss from operations of discontinued operations for EfW primarily relates to project suspension costs, land leases, and administrative costs.

(B) For the three and six months ended 31 March 2016, income before taxes from operations of discontinued operations attributable to Air Products was \$135.7 and \$254.1, respectively.

The following table details the major line items that comprise total assets and total liabilities of discontinued operations on the consolidated balance sheets as of 31 March 2017:

	31 March 2017		
	Performance Materials	Energy- from-Waste	Total Discontinued Operations
Assets			
Current Assets			
Plant and equipment, net	\$ —	\$ 9.6	\$ 9.6
Other receivables and current assets	—	.2	.2
Total Current Assets	—	9.8	9.8
Total Assets	\$ —	\$ 9.8	\$ 9.8
Liabilities			
Current Liabilities			
Payables and accrued liabilities (A)	\$ 17.4	\$ 6.7	\$ 24.1
Total Current Liabilities	17.4	6.7	24.1
Total Liabilities	\$ 17.4	\$ 6.7	\$ 24.1

(A) Includes reserves associated with disposition of businesses.

The following table details the major line items that comprise total assets and total liabilities of discontinued operations on the consolidated balance sheets as of 30 September 2016:

	30 September 2016			
	Electronic Materials	Performance Materials	Energy- from-Waste	Total Discontinued Operations
Assets				
Current Assets				
Cash and cash items	\$ 170.6	\$ 37.5	\$ —	\$ 208.1
Trade receivables, net	134.7	159.0	—	293.7
Inventories	138.1	226.8	—	364.9
Plant and equipment, net	—	—	18.2	18.2
Other receivables and current assets	34.5	5.6	1.2	41.3
Total Current Assets	477.9	428.9	19.4	926.2
Plant and equipment, net	296.5	296.5	—	593.0
Goodwill, net	180.0	125.0	—	305.0
Intangible assets, net	75.1	25.0	—	100.1
Other noncurrent assets	37.5	6.7	—	44.2
Total Noncurrent Assets	589.1	453.2	—	1,042.3
Total Assets	\$ 1,067.0	\$ 882.1	\$ 19.4	\$ 1,968.5
Liabilities				
Current Liabilities				
Payables and accrued liabilities	\$ 85.8	\$ 72.5	\$ 19.0	\$ 177.3
Accrued income taxes	22.7	6.0	—	28.7
Current portion of long-term debt	5.8	—	—	5.8
Total Current Liabilities	114.3	78.5	19.0	211.8
Long-term debt	981.8	—	—	981.8
Deferred income taxes	50.3	6.4	—	56.7
Other noncurrent liabilities	47.4	9.6	—	57.0
Total Noncurrent Liabilities	1,079.5	16.0	—	1,095.5
Total Liabilities	\$ 1,193.8	\$ 94.5	\$ 19.0	\$ 1,307.3

4. BUSINESS SEPARATION COSTS

In connection with the disposition of the two divisions comprising the former Materials Technologies segment, we incurred separation costs of \$30.2 for the six months ended 31 March 2017. No business separation costs were incurred during the second quarter of fiscal 2017. For the three and six months ended 31 March 2016, we incurred separation costs of \$7.4 and \$19.4, respectively. These costs are reflected on the consolidated income statements as “Business separation costs” and include legal, advisory, and pension related costs. Refer to Note 3, Discontinued Operations, for additional information regarding the dispositions.

5. COST REDUCTION AND ASSET ACTIONS

For the three months ended 31 March 2017, we recognized an expense of \$10.3 for severance and other benefits related to cost reduction actions. For the six months ended 31 March 2017, we recognized a net expense of \$60.3. The year-to-date net expense included a charge of \$63.7 for actions taken during fiscal year 2017, partially offset by the favorable settlement of the remaining \$3.4 accrued balance associated with business restructuring actions taken in 2015. Asset actions taken in the first quarter of 2017 of \$45.7 resulted from the write-down of an air separation unit in the Industrial Gases – EMEA segment that was constructed mainly to provide oxygen to one of the Energy-from-Waste plants. During the first six months of fiscal year 2017, severance and other benefits totaled \$18.0 and related to the elimination of approximately 140 positions primarily in the Industrial Gases – EMEA and Corporate and other segments.

During fiscal year 2016, we incurred an expense of \$34.5 for severance and other benefits related to the elimination of approximately 610 positions. Expense of \$10.7 was recognized for the three and six months ended 31 March 2016. The fiscal year 2016 expenses primarily related to the Industrial Gases – Americas and Industrial Gases – EMEA segments.

The charges we record for cost reduction and asset actions have been excluded from segment operating income.

The following table summarizes the carrying amount of the accrual for cost reduction and asset actions at 31 March 2017:

	Severance and Other Benefits	Asset Actions/Other	Total
2016 Charge	\$ 34.5	\$ —	\$ 34.5
Amount reflected in pension liability	(.9)	—	(.9)
Cash expenditures	(21.6)	—	(21.6)
Currency translation adjustment	.3	—	.3
30 September 2016	\$ 12.3	\$ —	\$ 12.3
2017 Charge	18.0	45.7	63.7
Noncash expenses	—	(45.7)	(45.7)
Amount reflected in pension liability	(.2)	—	(.2)
Cash expenditures	(18.8)	—	(18.8)
Currency translation adjustment	(.5)	—	(.5)
31 March 2017	\$ 10.8	\$ —	\$ 10.8

6. INVENTORIES

The components of inventories are as follows:

	31 March 2017	30 September 2016
Finished goods	\$ 131.1	\$ 131.3
Work in process	17.4	18.3
Raw materials, supplies and other	189.4	117.1
	\$ 337.9	\$ 266.7
Less: Excess of FIFO cost over LIFO cost	(15.1)	(11.7)
Inventories	\$ 322.8	\$ 255.0

First-in, first-out (FIFO) cost approximates replacement cost.

7. GOODWILL

Changes to the carrying amount of consolidated goodwill by segment for the six months ended 31 March 2017 are as follows:

	Industrial Gases– Americas	Industrial Gases– EMEA	Industrial Gases– Asia	Industrial Gases– Global	Total
Goodwill, net at 30 September 2016	\$ 309.1	\$ 380.6	\$ 135.2	\$ 20.2	\$ 845.1
Currency translation	(.9)	(17.0)	.3	(.3)	(17.9)
Goodwill, net at 31 March 2017	\$ 308.2	\$ 363.6	\$ 135.5	\$ 19.9	\$ 827.2

	31 March 2017	30 September 2016
Goodwill, gross	\$ 1,084.7	\$ 1,103.7
Accumulated impairment losses ^(A)	(257.5)	(258.6)
Goodwill, net	\$ 827.2	\$ 845.1

^(A) Amount is attributable to the Industrial Gases – Americas segment and includes currency translation of \$47.7 and \$46.6 as of 31 March 2017 and 30 September 2016, respectively.

We conduct goodwill impairment testing in the fourth quarter of each fiscal year and whenever events and changes in circumstances indicate that the carrying value of goodwill might not be recoverable.

8. FINANCIAL INSTRUMENTS

Currency Price Risk Management

Our earnings, cash flows, and financial position are exposed to foreign currency risk from foreign currency-denominated transactions and net investments in foreign operations. It is our policy to minimize our cash flow volatility from changes in currency exchange rates. This is accomplished by identifying and evaluating the risk that our cash flows will change in value due to changes in exchange rates and by executing the appropriate strategies necessary to manage such exposures. Our objective is to maintain economically balanced currency risk management strategies that provide adequate downside protection.

Forward Exchange Contracts

We enter into forward exchange contracts to reduce the cash flow exposure to foreign currency fluctuations associated with highly anticipated cash flows and certain firm commitments, such as the purchase of plant and equipment. We also enter into forward exchange contracts to hedge the cash flow exposure on intercompany loans. This portfolio of forward exchange contracts consists primarily of Euros and U.S. dollars. The maximum remaining term of any forward exchange contract currently outstanding and designated as a cash flow hedge at 31 March 2017 is 2.3 years.

Forward exchange contracts are also used to hedge the value of investments in certain foreign subsidiaries and affiliates by creating a liability in a currency in which we have a net equity position. The primary currency pair in this portfolio of forward exchange contracts is Euros and U.S. dollars.

In addition to the forward exchange contracts that are designated as hedges, we utilize forward exchange contracts that are not designated as hedges. These contracts are used to economically hedge foreign currency-denominated monetary assets and liabilities, primarily working capital. The primary objective of these forward exchange contracts is to protect the value of foreign currency-denominated monetary assets and liabilities from the effects of volatility in foreign exchange rates that might occur prior to their receipt or settlement. This portfolio of forward exchange contracts comprises many different foreign currency pairs, with a profile that changes from time to time depending on business activity and sourcing decisions.

The table below summarizes our outstanding currency price risk management instruments:

	31 March 2017		30 September 2016	
	US\$ Notional	Years Average Maturity	US\$ Notional	Years Average Maturity
Forward Exchange Contracts:				
Cash flow hedges	\$ 3,472.9	.5	\$ 4,130.3	.5
Net investment hedges	664.4	3.2	968.2	2.7
Not designated	1,526.1	.3	2,648.3	.4
Total Forward Exchange Contracts	\$ 5,663.4	.7	\$ 7,746.8	.7

The notional value of forward exchange contracts not designated in the table above includes forward contracts which were hedging intercompany loans that were repaid prior to their original maturity dates in anticipation of the spin-off of Versum. The forward exchange contracts no longer qualified as cash flow hedges due to the early repayment of the loans. We entered into additional forward exchange contracts to offset these outstanding positions to eliminate any future earnings impact. The decrease in notional value from 30 September 2016 to 31 March 2017 is primarily due to the maturity of several of the aforementioned intercompany loan hedges and their offsetting positions.

In addition to the above, we use foreign currency-denominated debt to hedge the foreign currency exposures of our net investment in certain foreign subsidiaries. The designated foreign currency-denominated debt and related accrued interest included €919.1 million (\$979.0) at 31 March 2017 and €920.7 million (\$1,034.4) at 30 September 2016. The designated foreign currency-denominated debt is located on the balance sheet in the long-term debt line item.

Debt Portfolio Management

It is our policy to identify on a continuing basis the need for debt capital and evaluate the financial risks inherent in funding the Company with debt capital. Reflecting the result of this ongoing review, the debt portfolio and hedging program are managed with the objectives and intent to (1) reduce funding risk with respect to borrowings made by us to preserve our access to debt capital and provide debt capital as required for funding and liquidity purposes, and (2) manage the aggregate interest rate risk and the debt portfolio in accordance with certain debt management parameters.

Interest Rate Management Contracts

We enter into interest rate swaps to change the fixed/variable interest rate mix of our debt portfolio in order to maintain the percentage of fixed- and variable-rate debt within the parameters set by management. In accordance with these parameters, the agreements are used to manage interest rate risks and costs inherent in our debt portfolio. Our interest rate management portfolio generally consists of fixed-to-floating interest rate swaps (which are designated as fair value hedges), pre-issuance interest rate swaps and treasury locks (which hedge the interest rate risk associated with anticipated fixed-rate debt issuances and are designated as cash flow hedges), and floating-to-fixed interest rate swaps (which are designated as cash flow hedges). At 31 March 2017, the outstanding interest rate swaps were denominated in U.S. dollars. The notional amount of the interest rate swap agreements is equal to or less than the designated debt being hedged. When interest rate swaps are used to hedge variable-rate debt, the indices of the swaps and the debt to which they are designated are the same. It is our policy not to enter into any interest rate management contracts which lever a move in interest rates on a greater than one-to-one basis.

Cross Currency Interest Rate Swap Contracts

We enter into cross currency interest rate swap contracts when our risk management function deems necessary. These contracts may entail both the exchange of fixed- and floating-rate interest payments periodically over the life of the agreement and the exchange of one currency for another currency at inception and at a specified future date. The contracts are used to hedge either certain net investments in foreign operations or non-functional currency cash flows related to intercompany loans. The current cross currency interest rate swap portfolio consists of fixed-to-fixed swaps primarily between U.S. dollars and offshore Chinese Renminbi, U.S. dollars and Chilean Pesos, and U.S. dollars and British Pound Sterling.

The following table summarizes our outstanding interest rate management contracts and cross currency interest rate swaps:

	31 March 2017				30 September 2016			
	US\$ Notional	Average Pay %	Average Receive %	Years Average Maturity	US\$ Notional	Average Pay %	Average Receive %	Years Average Maturity
Interest rate swaps (fair value hedge)	\$ 600.0	LIBOR	2.28%	1.8	\$ 600.0	LIBOR	2.28%	2.3
Cross currency interest rate swaps (net investment hedge)	\$ 503.4	3.24%	2.39%	2.0	\$ 517.7	3.24%	2.43%	2.6
Cross currency interest rate swaps (cash flow hedge)	\$ 1,088.9	4.77%	2.72%	2.8	\$ 1,088.9	4.77%	2.72%	3.3
Cross currency interest rate swaps (not designated)	\$ 41.7	3.40%	1.78%	1.9	\$ 27.4	3.62%	.81%	1.8

The table below summarizes the fair value and balance sheet location of our outstanding derivatives:

	Balance Sheet Location	31 March 2017	30 September 2016	Balance Sheet Location	31 March 2017	30 September 2016
Derivatives Designated as Hedging Instruments:						
Forward exchange contracts	Other receivables	\$ 36.3	\$ 72.3	Accrued liabilities	\$ 76.7	\$ 44.0
Interest rate management contracts	Other receivables	37.6	19.9	Accrued liabilities	.4	—
Forward exchange contracts	Other noncurrent assets	72.6	44.4	Other noncurrent liabilities	1.2	9.1
Interest rate management contracts	Other noncurrent assets	155.0	160.0	Other noncurrent liabilities	22.5	12.0
Total Derivatives Designated as Hedging Instruments		\$ 301.5	\$ 296.6		\$ 100.8	\$ 65.1
Derivatives Not Designated as Hedging Instruments:						
Forward exchange contracts	Other receivables	\$ 20.3	\$ 77.1	Accrued liabilities	\$ 13.1	\$ 29.5
Interest rate management contracts	Other noncurrent assets	3.7	—	Other noncurrent liabilities	.8	.7
Total Derivatives Not Designated as Hedging Instruments		\$ 24.0	\$ 77.1		\$ 13.9	\$ 30.2
Total Derivatives		\$ 325.5	\$ 373.7		\$ 114.7	\$ 95.3

Refer to Note 9, Fair Value Measurements, which defines fair value, describes the method for measuring fair value, and provides additional disclosures regarding fair value measurements.

The table below summarizes the gain or loss related to our cash flow hedges, fair value hedges, net investment hedges, and derivatives not designated as hedging instruments:

	Three Months Ended 31 March							
	Forward Exchange Contracts		Foreign Currency Debt		Other ^(A)		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Cash Flow Hedges, net of tax:								
Net gain (loss) recognized in OCI (effective portion)	\$ 11.1	\$ 32.5	\$ —	\$ —	\$ (26.5)	\$ (19.7)	\$ (15.4)	\$ 12.8
Net (gain) loss reclassified from OCI to sales/cost of sales (effective portion)	1.2	.5	—	—	—	—	1.2	.5
Net (gain) loss reclassified from OCI to other income (expense), net (effective portion)	(10.8)	(30.2)	—	—	15.8	16.5	5.0	(13.7)
Net (gain) loss reclassified from OCI to interest expense (effective portion)	(1.6)	1.2	—	—	.7	.8	(.9)	2.0
Net (gain) loss reclassified from OCI to other income (expense), net (ineffective portion)	.5	.1	—	—	—	—	.5	.1
Fair Value Hedges:								
Net gain (loss) recognized in interest expense ^(B)	\$ —	\$ —	\$ —	\$ —	\$ (2.8)	\$ 7.2	\$ (2.8)	\$ 7.2
Net Investment Hedges, net of tax:								
Net gain (loss) recognized in OCI	\$ (.8)	\$ (9.4)	\$ (7.8)	\$ (17.9)	\$ (6.5)	\$ 1.9	\$ (15.1)	\$ (25.4)
Derivatives Not Designated as Hedging Instruments:								
Net gain (loss) recognized in other income (expense), net ^(C)	\$ (2.5)	\$.2	\$ —	\$ —	\$ (.6)	\$ (.6)	\$ (3.1)	\$ (.4)

	Six Months Ended 31 March							
	Forward Exchange Contracts		Foreign Currency Debt		Other ^(A)		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Cash Flow Hedges, net of tax:								
Net gain (loss) recognized in OCI (effective portion)	\$ (48.3)	\$ 27.8	\$ —	\$ —	\$ 23.1	\$ 1.0	\$ (25.2)	\$ 28.8
Net (gain) loss reclassified from OCI to sales/cost of sales (effective portion)	5.8	1.4	—	—	—	—	5.8	1.4
Net (gain) loss reclassified from OCI to other income (expense), net (effective portion)	38.7	(32.0)	—	—	(12.4)	(3.7)	26.3	(35.7)
Net (gain) loss reclassified from OCI to interest expense (effective portion)	(2.4)	2.6	—	—	1.4	1.6	(1.0)	4.2
Net (gain) loss reclassified from OCI to other income (expense), net (ineffective portion)	.3	(.3)	—	—	—	—	.3	(.3)
Fair Value Hedges:								
Net gain (loss) recognized in interest expense ^(B)	\$ —	\$ —	\$ —	\$ —	\$ (11.9)	\$ (1.8)	\$ (11.9)	\$ (1.8)
Net Investment Hedges, net of tax:								
Net gain (loss) recognized in OCI	\$ 27.1	\$ (6.4)	\$ 34.0	\$ (10.3)	\$ 6.6	\$ 8.4	\$ 67.7	\$ (8.3)
Derivatives Not Designated as Hedging Instruments:								
Net gain (loss) recognized in other income (expense), net ^(C)	\$ (.4)	\$ (.2)	\$ —	\$ —	\$.2	\$ (.6)	\$ (.2)	\$ (.8)

^(A) Other includes the impact on other comprehensive income (OCI) and earnings primarily related to interest rate and cross currency interest rate swaps.

^(B) The impact of fair value hedges noted above was largely offset by recognized gains and losses resulting from the impact of changes in related interest rates on outstanding debt.

^(C) The impact of the non-designated hedges noted above was largely offset by recognized gains and losses resulting from the impact of changes in exchange rates on assets and liabilities denominated in non-functional currencies.

The amount of cash flow hedges' unrealized gains and losses at 31 March 2017 that are expected to be reclassified to earnings in the next twelve months is not material.

The cash flows related to all derivative contracts are reported in the operating activities section of the consolidated statements of cash flows.

Credit Risk-Related Contingent Features

Certain derivative instruments are executed under agreements that require us to maintain a minimum credit rating with both Standard & Poor's and Moody's. If our credit rating falls below this threshold, the counterparty to the derivative instruments has the right to request full collateralization on the derivatives' net liability position. The net liability position of derivatives with credit risk-related contingent features was \$23.4 as of 31 March 2017 and \$11.2 as of 30 September 2016. Because our current credit rating is above the various pre-established thresholds, no collateral has been posted on these liability positions.

Counterparty Credit Risk Management

We execute financial derivative transactions with counterparties that are highly rated financial institutions, all of which are investment grade at this time. Some of our underlying derivative agreements give us the right to require the institution to post collateral if its credit rating falls below the pre-established thresholds with Standard & Poor's or Moody's. The collateral that the counterparties would be required to post was \$265.3 as of 31 March 2017 and \$267.6 as of 30 September 2016. No financial institution is required to post collateral at this time, as all have credit ratings at or above threshold.

9. FAIR VALUE MEASUREMENTS

Fair value is defined as an exit price, i.e., the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the asset or liability.

Level 3 — Inputs that are unobservable for the asset or liability based on our own assumptions (about the assumptions market participants would use in pricing the asset or liability).

The methods and assumptions used to measure the fair value of financial instruments are as follows:

Short-term Investments

Short-term investments include time deposits, certificates of deposit, and repurchase agreement funds with original maturities greater than 90 days and less than one year. The estimated fair value of the short-term investments, which approximates carrying value as of 31 March 2017 and 30 September 2016, was determined using level 1 or level 2 inputs within the fair value hierarchy. Level 1 measurements were based on observed net asset values, and level 2 measurements were based on current interest rates for similar investments with comparable credit risk and time to maturity.

Derivatives

The fair value of our interest rate management contracts and forward exchange contracts are quantified using the income approach and are based on estimates using standard pricing models. These models take into account the value of future cash flows as of the balance sheet date, discounted to a present value using discount factors that match both the time to maturity and currency of the underlying instruments. The computation of the fair values of these instruments is generally performed by the Company. These standard pricing models utilize inputs which are derived from or corroborated by observable market data such as interest rate yield curves and currency spot and forward rates. Therefore, the fair value of our derivatives is classified as a level 2 measurement. On an ongoing basis, we randomly test a subset of our valuations against valuations received from the transaction's counterparty to validate the accuracy of our standard pricing models. Counterparties to these derivative contracts are highly rated financial institutions.

Refer to Note 8, Financial Instruments, for a description of derivative instruments, including details on the balance sheet line classifications.

Long-term Debt

The fair value of our debt is based on estimates using standard pricing models that take into account the value of future cash flows as of the balance sheet date, discounted to a present value using discount factors that match both the time to maturity and currency of the underlying instruments. These standard valuation models utilize observable market data such as interest rate yield curves and currency spot rates. Therefore, the fair value of our debt is classified as a level 2 measurement. We generally perform the computation of the fair value of these instruments.

The carrying values and fair values of financial instruments were as follows:

	31 March 2017		30 September 2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets				
Derivatives				
Forward exchange contracts	\$ 129.2	\$ 129.2	\$ 193.8	\$ 193.8
Interest rate management contracts	196.3	196.3	179.9	179.9
Liabilities				
Derivatives				
Forward exchange contracts	\$ 91.0	\$ 91.0	\$ 82.6	\$ 82.6
Interest rate management contracts	23.7	23.7	12.7	12.7
Long-term debt, including current portion	3,720.9	3,823.0	4,275.1	4,450.5

The carrying amounts reported in the balance sheet for cash and cash items, short-term investments, trade receivables, payables and accrued liabilities, accrued income taxes, and short-term borrowings approximate fair value due to the short-term nature of these instruments. Accordingly, these items have been excluded from the above table.

The following table summarizes assets and liabilities measured at fair value on a recurring basis in the consolidated balance sheets:

	31 March 2017				30 September 2016			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Assets at Fair Value								
Derivatives								
Forward exchange contracts	\$ 129.2	\$ —	\$ 129.2	\$ —	\$ 193.8	\$ —	\$ 193.8	\$ —
Interest rate management contracts	196.3	—	196.3	—	179.9	—	179.9	—
Total Assets at Fair Value	\$ 325.5	\$ —	\$ 325.5	\$ —	\$ 373.7	\$ —	\$ 373.7	\$ —
Liabilities at Fair Value								
Derivatives								
Forward exchange contracts	\$ 91.0	\$ —	\$ 91.0	\$ —	\$ 82.6	\$ —	\$ 82.6	\$ —
Interest rate management contracts	23.7	—	23.7	—	12.7	—	12.7	—
Total Liabilities at Fair Value	\$ 114.7	\$ —	\$ 114.7	\$ —	\$ 95.3	\$ —	\$ 95.3	\$ —

The following is a tabular presentation of nonrecurring fair value measurements along with the level within the fair value hierarchy in which the fair value measurement in its entirety falls:

	31 December 2016				2017 Loss
	Total	Level 1	Level 2	Level 3	
Plant and Equipment – Continuing operations ^(A)	\$ 1.4	\$ —	\$ —	\$ 1.4	\$ 45.7
Plant and Equipment – Discontinued operations ^(A)	\$ 11.0	\$ —	\$ —	\$ 11.0	\$ 6.3

^(A) We assessed the recoverability of the carrying value of assets associated with the EfW discontinued operation, including the air separation unit within continuing operations of our Industrial Gases – EMEA segment. We based our estimates primarily on an orderly liquidation valuation which resulted in losses for the difference between the orderly liquidation value and net book value of the assets as of 31 December 2016. There have been no significant updates to our estimates as of 31 March 2017. For additional information, see Note 3, Discontinued Operations and Note 5, Cost Reduction and Asset Actions.

10. RETIREMENT BENEFITS

The components of net periodic benefit cost for the defined benefit pension and other postretirement benefit plans for the three and six months ended 31 March 2017 and 2016 were as follows:

Three Months Ended 31 March	Pension Benefits				Other Benefits	
	2017		2016		2017	2016
	U.S.	International	U.S.	International		
Service cost	\$ 6.9	\$ 6.3	\$ 9.3	\$ 6.1	\$.2	\$.6
Interest cost	27.6	7.9	27.7	11.1	.4	.5
Expected return on plan assets	(51.7)	(18.3)	(50.5)	(19.6)	—	—
Prior service cost amortization	.6	(.1)	.8	(.1)	—	—
Actuarial loss amortization	20.9	13.2	21.5	9.1	—	.1
Settlements	4.1	4.0	2.6	—	—	—
Curtailement	.1	1.8	—	—	—	—
Special termination benefits	(.1)	.1	.6	—	—	—
Other	—	(2.2)	—	.5	—	—
Net periodic benefit cost (Total)	\$ 8.4	\$ 12.7	\$ 12.0	\$ 7.1	\$.6	\$ 1.2
Less: Discontinued Operations	(.1)	(3.4)	(2.1)	(.2)	—	—
Net periodic benefit cost (Continuing Operations)	\$ 8.3	\$ 9.3	\$ 9.9	\$ 6.9	\$.6	\$ 1.2

Six Months Ended 31 March	Pension Benefits				Other Benefits	
	2017		2016		2017	2016
	U.S.	International	U.S.	International		
Service cost	\$ 15.2	\$ 13.0	\$ 18.3	\$ 12.3	\$.7	\$ 1.1
Interest cost	52.5	15.5	55.4	22.7	.8	1.0
Expected return on plan assets	(104.4)	(36.8)	(101.0)	(40.3)	—	—
Prior service cost amortization	1.2	(.1)	1.5	(.1)	—	—
Actuarial loss amortization	47.0	27.1	42.6	18.3	.2	.3
Settlements	4.1	1.7	2.6	—	—	—
Curtailement	4.3	(1.3)	—	—	—	—
Special termination benefits	1.0	.5	.6	—	—	—
Other	—	.5	—	1.0	—	—
Net periodic benefit cost (Total)	\$ 20.9	\$ 20.1	\$ 20.0	\$ 13.9	\$ 1.7	\$ 2.4
Less: Discontinued Operations	(.7)	(4.1)	(3.9)	(1.6)	—	—
Net periodic benefit cost (Continuing Operations)	\$ 20.2	\$ 16.0	\$ 16.1	\$ 12.3	\$ 1.7	\$ 2.4

Net periodic benefit cost is primarily included in cost of sales and selling and administrative expense on our consolidated income statements. The increase in pension expense in fiscal year 2017 is primarily related to recognition of settlement, curtailment and special termination benefits. The amount of net periodic benefit cost capitalized in fiscal year 2017 and 2016 was not material.

Certain of our pension plans provide for a lump sum benefit payment option at the time of retirement, or for corporate officers, six months after their retirement date. A participant's vested benefit is considered settled upon cash payment of the lump sum. We recognize pension settlement losses when cash payments exceed the sum of the service and interest cost components of net periodic benefit cost of the plan for the fiscal year. For the three and six months ended 31 March 2017 and 2016, we recognized \$4.1 and \$2.0 of settlement losses in results of continuing operations, respectively, to accelerate recognition of a portion of actuarial losses deferred in accumulated other comprehensive loss associated with the U.S. Supplementary Pension Plan.

In connection with the disposition of the two divisions comprising the Materials Technologies segment, we incurred settlement, curtailment, and special termination benefits totaling \$3.5 and \$6.0 for the three and six months ended 31 March 2017,

respectively. Costs recorded during the second quarter were recorded in the results of discontinued operations. Otherwise, the costs were reflected on the consolidated income statements as "Business separation costs".

As discussed in Note 3, Discontinued Operations, we completed the separation of EMD through the spin-off of Versum on 1 October 2016. In connection with the spin-off, the Company transferred defined benefit pension assets and obligations to Versum resulting in a net decrease in the underfunded status of the Company's sponsored pension plans of \$24. As a result of the transfer of unrecognized losses to Versum, accumulated other comprehensive loss, net of tax, decreased by approximately \$5. In addition, we completed the sale of PMD to Evonik Industries AG on 3 January 2017. In connection with the sale, the Company transferred defined benefit pension obligations to Evonik resulting in a net decrease in the underfunded status of the Company's sponsored pension plans of approximately \$7.

For the six months ended 31 March 2017 and 2016, our cash contributions to funded pension plans and benefit payments under unfunded pension plans were \$40.8 and \$60.2, respectively. Total contributions for fiscal 2017 are expected to be approximately \$65 to \$85. During fiscal 2016, total contributions were \$79.3.

11. COMMITMENTS AND CONTINGENCIES

Litigation

We are involved in various legal proceedings, including commercial, competition, environmental, health, safety, product liability, and insurance matters. In September 2010, the Brazilian Administrative Council for Economic Defense (CADE) issued a decision against our Brazilian subsidiary, Air Products Brasil Ltda., and several other Brazilian industrial gas companies for alleged anticompetitive activities. CADE imposed a civil fine of R\$179.2 million (approximately \$57 at 31 March 2017) on Air Products Brasil Ltda. This fine was based on a recommendation by a unit of the Brazilian Ministry of Justice, whose investigation began in 2003, alleging violation of competition laws with respect to the sale of industrial and medical gases. The fines are based on a percentage of our total revenue in Brazil in 2003.

We have denied the allegations made by the authorities and filed an appeal in October 2010 with the Brazilian courts. On 6 May 2014, our appeal was granted and the fine against Air Products Brasil Ltda. was dismissed. CADE has appealed that ruling and the matter remains pending. We, with advice of our outside legal counsel, have assessed the status of this matter and have concluded that, although an adverse final judgment after exhausting all appeals is possible, such a judgment is not probable. As a result, no provision has been made in the consolidated financial statements. We estimate the maximum possible loss to be the full amount of the fine of R\$179.2 million (approximately \$57 at 31 March 2017) plus interest accrued thereon until final disposition of the proceedings.

Other than this matter, we do not currently believe there are any legal proceedings, individually or in the aggregate, that are reasonably possible to have a material impact on our financial condition, results of operations, or cash flows.

Environmental

In the normal course of business, we are involved in legal proceedings under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA: the federal Superfund law); Resource Conservation and Recovery Act (RCRA); and similar state and foreign environmental laws relating to the designation of certain sites for investigation or remediation. Presently, there are approximately 33 sites on which a final settlement has not been reached where we, along with others, have been designated a potentially responsible party by the Environmental Protection Agency or are otherwise engaged in investigation or remediation, including cleanup activity at certain of our current and former manufacturing sites. We continually monitor these sites for which we have environmental exposure.

Accruals for environmental loss contingencies are recorded when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. The consolidated balance sheets at 31 March 2017 and 30 September 2016 included an accrual of \$86.1 and \$81.4, respectively, primarily as part of other noncurrent liabilities. The environmental liabilities will be paid over a period of up to 30 years. We estimate the exposure for environmental loss contingencies to range from \$86 to a reasonably possible upper exposure of \$99 as of 31 March 2017.

Actual costs to be incurred at identified sites in future periods may vary from the estimates, given inherent uncertainties in evaluating environmental exposures. Using reasonably possible alternative assumptions of the exposure level could result in an increase to the environmental accrual. Due to the inherent uncertainties related to environmental exposures, a significant increase to the reasonably possible upper exposure level could occur if a new site is designated, the scope of remediation is increased, a different remediation alternative is identified, or a significant increase in our proportionate share occurs. We do not expect that any sum we may have to pay in connection with environmental matters in excess of the amounts recorded or disclosed above would have a material adverse impact on our financial position or results of operations in any one year.

PACE

At 31 March 2017, \$29.5 of the environmental accrual was related to the Pace facility.

In 2006, we sold our Amines business, which included operations at Pace, Florida, and recognized a liability for retained environmental obligations associated with remediation activities at Pace. We are required by the Florida Department of Environmental Protection (FDEP) and the United States Environmental Protection Agency (USEPA) to continue our remediation efforts. We estimated that it would take 20 years to complete the groundwater remediation, and the costs through completion were estimated to range from \$42 to \$52. As no amount within the range was a better estimate than another, we recognized a pretax expense in fiscal 2006 of \$42 as a component of income from discontinued operations and recorded an environmental accrual of \$42 in continuing operations on the consolidated balance sheets. There has been no change to the estimated exposure range related to the Pace facility.

We have implemented many of the remedial corrective measures at the Pace facility required under 1995 Consent Orders issued by the FDEP and the USEPA. Contaminated soils have been bioremediated, and the treated soils have been secured in a lined on-site disposal cell. Several groundwater recovery systems have been installed to contain and remove contamination from groundwater. We completed an extensive assessment of the site to determine how well existing measures are working, what additional corrective measures may be needed, and whether newer remediation technologies that were not available in the 1990s might be suitable to more quickly and effectively remove groundwater contaminants. Based on assessment results, we completed a focused feasibility study that has identified alternative approaches that may more effectively remove contaminants. We continue to review alternative remedial approaches with the FDEP. In the first quarter of 2015, we entered into a new Consent Order with the FDEP requiring us to continue our remediation efforts at the Pace facility. The costs we are incurring under the new Consent Order are expected to be consistent with our previous estimates.

PIEDMONT

At 31 March 2017, \$17.1 of the environmental accrual was related to the Piedmont site.

On 30 June 2008, we sold our Elkton, Maryland, and Piedmont, South Carolina, production facilities and the related North American atmospheric emulsions and global pressure sensitive adhesives businesses. In connection with the sale, we recognized a liability for retained environmental obligations associated with remediation activities at the Piedmont site. This site is under active remediation for contamination caused by an insolvent prior owner. We are required by the South Carolina Department of Health and Environmental Control to address both contaminated soil and groundwater. Numerous areas of soil contamination have been addressed, and contaminated groundwater is being recovered and treated. We estimate that it will take until 2019 to complete source area remediation with groundwater recovery and treatment, continuing through 2029. Thereafter, we are expecting this site to go into a state of monitored natural attenuation through 2047. We recognized a pretax expense in 2008 of \$24 as a component of income from discontinued operations and recorded an environmental liability of \$24 in continuing operations on the consolidated balance sheets. There have been no significant changes to the estimated exposure.

PASADENA

At 31 March 2017, \$12.3 of the environmental accrual was related to the Pasadena site.

During the fourth quarter of 2012, management committed to permanently shutting down our polyurethane intermediates (PUI) production facility in Pasadena, Texas. In shutting down and dismantling the facility, we have undertaken certain obligations related to soil and groundwater contaminants. We have been pumping and treating groundwater to control off-site contaminant migration in compliance with regulatory requirements and under the approval of the Texas Commission on Environmental Quality (TCEQ). We estimate that the pump and treat system will continue to operate until 2042. We plan to perform additional work to address other environmental obligations at the site. This additional work includes remediating, as required, impacted soils, investigating groundwater west of the former PUI facility, performing post closure care for two closed RCRA surface impoundment units, and establishing engineering controls. In 2012, we estimated the total exposure at this site to be \$13. There have been no significant changes to the estimated exposure.

12. SHARE-BASED COMPENSATION

We have various share-based compensation programs, which include deferred stock units, stock options, and restricted stock. During the six months ended 31 March 2017, we granted market-based and time-based deferred stock units. Under all programs, the terms of the awards are fixed at the grant date. We issue shares from treasury stock upon the payout of deferred stock units, the exercise of stock options, and the issuance of restricted stock awards. As of 31 March 2017, there were 4,815,869 shares available for future grant under our Long-Term Incentive Plan (LTIP), which is shareholder approved.

As discussed in Note 3, Discontinued Operations, we completed the separation of EMD through the spin-off of Versum on 1 October 2016. In connection with the spin-off, the Company adjusted the number of deferred stock units and stock options pursuant to existing anti-dilution provisions in the LTIP, to preserve the intrinsic value of the awards immediately before and after the separation. The outstanding awards will continue to vest over the original vesting period defined at the grant date. Outstanding awards at the time of spin-off were primarily converted into awards of the holder's employer following the separation. The adjustment to the awards did not result in incremental fair value and no incremental compensation expense was recorded related to the conversion of these awards.

Share-based compensation cost recognized in continuing operations on the consolidated income statements is summarized below:

	Three Months Ended				Six Months Ended			
	31 March				31 March			
	2017		2016		2017		2016	
Before-Tax Share-Based Compensation Cost	\$	9.5	\$	8.1	\$	18.5	\$	16.4
Income Tax Benefit		(3.3)		(2.7)		(6.3)		(5.5)
After-Tax Share-Based Compensation Cost	\$	6.2	\$	5.4	\$	12.2	\$	10.9

Before-tax share-based compensation cost is primarily included in selling and administrative expense on our consolidated income statements. The amount of share-based compensation cost capitalized in fiscal year 2017 and 2016 was not material.

Deferred Stock Units

During the six months ended 31 March 2017, we granted 116,740 market-based deferred stock units. The market-based deferred stock units are earned out at the end of a performance period beginning 1 October 2016 and ending 30 September 2019, conditioned on the level of the Company's total shareholder return in relation to a defined peer group over the three-year performance period.

The market-based deferred stock units had an estimated grant-date fair value of \$156.87 per unit, which was estimated using a Monte Carlo simulation model. The model utilizes multiple input variables that determine the probability of satisfying the market condition stipulated in the grant and calculates the fair value of the awards. We generally expense the grant-date fair value of these awards on a straight line basis over the vesting period. The calculation of the fair value of market-based deferred stock units used the following assumptions:

Expected volatility	20.6%
Risk-free interest rate	1.4%
Expected dividend yield	2.5%

In addition, during the six months ended 31 March 2017, we granted 152,541 time-based deferred stock units at a weighted average grant-date fair value of \$143.66.

13. EQUITY

The following is a summary of the changes in total equity:

	Three Months Ended 31 March					
	2017			2016		
	Air Products	Non-controlling Interests	Total Equity	Air Products	Non-controlling Interests	Total Equity
Balance at 31 December	\$ 7,161.5	\$ 99.6	\$ 7,261.1	\$ 7,367.1	\$ 131.9	\$ 7,499.0
Net income (loss)	2,130.0	5.7	2,135.7	(473.3)	7.8	(465.5)
Other comprehensive income	218.0	5.0	223.0	161.9	2.8	164.7
Dividends on common stock (per share \$0.95, \$0.86)	(206.9)	—	(206.9)	(185.8)	—	(185.8)
Dividends to noncontrolling interests	—	(7.5)	(7.5)	—	(6.3)	(6.3)
Share-based compensation	9.5	—	9.5	8.1	—	8.1
Treasury shares for stock option and award plans	7.9	—	7.9	32.8	—	32.8
Tax benefit of stock option and award plans	—	—	—	4.8	—	4.8
Other equity transactions	(2.6)	—	(2.6)	1.0	.3	1.3
Balance at 31 March	\$ 9,317.4	\$ 102.8	\$ 9,420.2	\$ 6,916.6	\$ 136.5	\$ 7,053.1

	Six Months Ended 31 March					
	2017			2016		
	Air Products	Non-controlling Interests	Total Equity	Air Products	Non-controlling Interests	Total Equity
Balance at 30 September	\$ 7,079.6	\$ 133.8	\$ 7,213.4	\$ 7,249.0	\$ 132.1	\$ 7,381.1
Net income (loss)	2,429.8	12.3	2,442.1	(109.7)	16.2	(93.5)
Other comprehensive income (loss)	(16.9)	1.9	(15.0)	79.2	2.8	82.0
Dividends on common stock (per share \$1.81, \$1.67)	(394.0)	—	(394.0)	(360.5)	—	(360.5)
Dividends to noncontrolling interests	—	(11.7)	(11.7)	—	(14.8)	(14.8)
Share-based compensation	18.5	—	18.5	16.4	—	16.4
Treasury shares for stock option and award plans	7.6	—	7.6	30.8	—	30.8
Tax benefit of stock option and award plans	—	—	—	9.7	—	9.7
Spin-off of Versum	186.5	(33.9)	152.6	—	—	—
Cumulative change in accounting principle (Note 2)	8.8	—	8.8	—	—	—
Other equity transactions	(2.5)	.4	(2.1)	1.7	.2	1.9
Balance at 31 March	\$ 9,317.4	\$ 102.8	\$ 9,420.2	\$ 6,916.6	\$ 136.5	\$ 7,053.1

14. ACCUMULATED OTHER COMPREHENSIVE LOSS

The tables below summarize changes in accumulated other comprehensive loss (AOCL), net of tax, attributable to Air Products for the three and six months ended 31 March 2017:

	Net loss on derivatives qualifying as hedges	Foreign currency translation adjustments	Pension and postretirement benefits	Total
Balance at 31 December 2016	\$ (49.0)	\$ (1,221.4)	\$ (1,341.3)	\$ (2,611.7)
Other comprehensive income (loss) before reclassifications	(15.4)	149.6	3.8	138.0
Amounts reclassified from AOCL	5.8	49.1	30.1	85.0
Net current period other comprehensive income (loss)	(9.6)	198.7	33.9	223.0
Amount attributable to noncontrolling interests	(.1)	5.0	.1	5.0
Balance at 31 March 2017	\$ (58.5)	\$ (1,027.7)	\$ (1,307.5)	\$ (2,393.7)

	Net loss on derivatives qualifying as hedges	Foreign currency translation adjustments	Pension and postretirement benefits	Total
Balance at 30 September 2016	\$ (65.0)	\$ (949.3)	\$ (1,374.0)	\$ (2,388.3)
Other comprehensive income (loss) before reclassifications	(25.2)	(131.6)	3.8	(153.0)
Amounts reclassified from AOCL	31.4	49.1	57.5	138.0
Net current period other comprehensive income (loss)	6.2	(82.5)	61.3	(15.0)
Spin-off of Versum	.2	6.0	5.3	11.5
Amount attributable to noncontrolling interests	(.1)	1.9	.1	1.9
Balance at 31 March 2017	\$ (58.5)	\$ (1,027.7)	\$ (1,307.5)	\$ (2,393.7)

The table below summarizes the reclassifications out of accumulated other comprehensive loss and the affected line item on the consolidated income statements:

	Three Months Ended		Six Months Ended	
	31 March		31 March	
	2017	2016	2017	2016
(Gain) Loss on Cash Flow Hedges, net of tax				
Sales/Cost of sales	\$ 1.2	\$.5	\$ 5.8	\$ 1.4
Other income (expense), net	5.5	(13.6)	26.6	(36.0)
Interest expense	(.9)	2.0	(1.0)	4.2
Total (Gain) Loss on Cash Flow Hedges, net of tax	\$ 5.8	\$ (11.1)	\$ 31.4	\$ (30.4)
Currency Translation Adjustment ^(A)	\$ 49.1	\$.4	\$ 49.1	\$ 2.8
Pension and Postretirement Benefits, net of tax ^(B)	\$ 30.1	\$ 22.7	\$ 57.5	\$ 43.8

^(A) The impact is reflected in "Income from discontinued operations, net of tax." The fiscal year 2017 impact relates to the sale of PMD during the second quarter. The fiscal year 2016 impact primarily relates to the sale of an equity affiliate in the first quarter.

^(B) The components include items such as prior service cost amortization, actuarial loss amortization, and settlements and are reflected in net periodic benefit cost. Refer to Note 10, Retirement Benefits.

15. EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share:

	Three Months Ended		Six Months Ended	
	31 March		31 March	
	2017	2016	2017	2016
Numerator				
Income from continuing operations	\$ 304.4	\$ 278.9	\$ 556.0	\$ 559.8
Income (Loss) from discontinued operations	1,825.6	(752.2)	1,873.8	(669.5)
Net Income (Loss) Attributable to Air Products	\$ 2,130.0	\$ (473.3)	\$ 2,429.8	\$ (109.7)
Denominator (in millions)				
Weighted average common shares — Basic	217.9	216.1	217.8	215.9
Effect of dilutive securities				
Employee stock option and other award plans	1.8	1.8	1.8	1.9
Weighted average common shares — Diluted	219.7	217.9	219.6	217.8
Basic Earnings Per Common Share Attributable to Air Products				
Income from continuing operations	\$ 1.40	\$ 1.29	\$ 2.55	\$ 2.59
Income (Loss) from discontinued operations	8.38	(3.48)	8.61	(3.10)
Net Income (Loss) Attributable to Air Products	\$ 9.78	\$ (2.19)	\$ 11.16	\$ (.51)
Diluted Earnings Per Common Share Attributable to Air Products				
Income from continuing operations	\$ 1.39	\$ 1.28	\$ 2.53	\$ 2.57
Income (Loss) from discontinued operations	8.31	(3.45)	8.53	(3.08)
Net Income (Loss) Attributable to Air Products	\$ 9.70	\$ (2.17)	\$ 11.06	\$ (.51)

Outstanding share-based awards of .1 million shares were antidilutive and therefore excluded from the computation of diluted earnings per share for the six months ended 31 March 2017. For the three months ended 31 March 2017, there were no antidilutive outstanding share-based awards. Outstanding share-based awards of .2 million shares were antidilutive and therefore excluded from the computation of diluted earnings per share for the three and six months ended 31 March 2016.

16. SUPPLEMENTAL INFORMATION

Cash Paid for Taxes (Net of Cash Refunds)

On a total company basis, income tax payments, net of refunds, were \$784.7 and \$177.9 for the six months ended 31 March 2017 and 2016, respectively.

Credit Agreement

On 31 March 2017, we entered into a five-year \$2,500.0 revolving credit agreement with a syndicate of banks (the “2017 Credit Agreement”), under which senior unsecured debt is available to both the Company and certain of its subsidiaries. The 2017 Credit Agreement provides a source of liquidity for the Company and supports its commercial paper program. The Company’s only financial covenant is a maximum ratio of total debt to total capitalization (total debt plus total equity) no greater than 70%. No borrowings were outstanding under the 2017 Credit Agreement as of 31 March 2017.

The 2017 Credit Agreement terminates and replaces our previous \$2,690.0 revolving credit agreement (the “2013 Credit Agreement”), which was to mature 30 April 2018. No borrowings were outstanding under the previous agreement at the time of its termination, and no early termination penalties were incurred.

17. BUSINESS SEGMENT INFORMATION

Our reporting segments reflect the manner in which our chief operating decision maker reviews results and allocates resources. Except in the Corporate and other segment, each reporting segment meets the definition of an operating segment and does not include the aggregation of multiple operating segments. Our liquefied natural gas (LNG) and helium storage and distribution sale of equipment businesses are aggregated within the Corporate and other segment.

Our reporting segments are:

- Industrial Gases – Americas
- Industrial Gases – EMEA (Europe, Middle East, and Africa)
- Industrial Gases – Asia
- Industrial Gases – Global
- Corporate and other

The results of the Corporate and other segment include stranded costs related to the presentation of the two divisions comprising the former Materials Technologies segment as discontinued operations. The majority of these costs are expected to be reimbursed to Air Products pursuant to short-term transition services agreements under which Air Products will provide transition services to Versum for EMD and to Evonik for PMD.

	Industrial Gases– Americas	Industrial Gases– EMEA	Industrial Gases– Asia	Industrial Gases– Global	Corporate and other	Segment Total
Three Months Ended 31 March 2017						
Sales	\$ 890.1	\$ 414.2	\$ 435.9	\$ 216.5	\$ 23.4	\$ 1,980.1
Operating income (loss)	224.5	86.5	112.0	22.8	(40.2)	405.6
Depreciation and amortization	116.0	41.6	49.3	1.7	3.2	211.8
Equity affiliates' income	13.0	8.3	12.9	—	—	34.2
Three Months Ended 31 March 2016						
Sales	\$ 798.1	\$ 421.8	\$ 407.9	\$ 86.6	\$ 63.0	\$ 1,777.4
Operating income (loss)	223.5	90.0	105.0	(10.8)	(16.0)	391.7
Depreciation and amortization	109.8	48.2	48.8	1.8	5.3	213.9
Equity affiliates' income	7.7	7.2	17.4	—	—	32.3
Six Months Ended 31 March 2017						
Sales	\$ 1,754.0	\$ 813.9	\$ 874.2	\$ 364.4	\$ 56.1	\$ 3,862.6
Operating income (loss)	448.3	174.5	230.1	31.0	(70.0)	813.9
Depreciation and amortization	227.8	83.8	96.0	3.7	6.6	417.9
Equity affiliates' income	27.7	17.8	26.4	.3	—	72.2
Six Months Ended 31 March 2016						
Sales	\$ 1,634.4	\$ 861.4	\$ 822.5	\$ 190.9	\$ 134.5	\$ 3,643.7
Operating income (loss)	435.1	182.3	222.3	(30.1)	(33.4)	776.2
Depreciation and amortization	218.8	95.0	100.7	3.9	10.2	428.6
Equity affiliates' income (loss)	22.2	14.8	29.1	(.5)	—	65.6
Total Assets						
31 March 2017	\$ 5,898.8	\$ 3,100.8	\$ 4,248.1	\$ 328.9	\$ 4,285.1	\$ 17,861.7
30 September 2016	5,896.7	3,178.6	4,232.7	367.6	2,384.5	16,060.1

The sales information noted above relates to external customers only. All intersegment sales are eliminated in consolidation. For the three and six months ended 31 March 2017, the Industrial Gases – Global segment had intersegment sales of \$61.0 and \$122.0, respectively. For the three and six months ended 31 March 2016, the Industrial Gases – Global segment had intersegment sales of \$56.6 and \$111.2, respectively. These sales are generally transacted at market pricing. For all other segments, intersegment sales are not material for all periods presented. Equipment manufactured for our industrial gases segments is generally transferred at cost and not reflected as an intersegment sale.

Changes in estimates on projects accounted for under the percentage-of-completion method favorably impacted operating income by approximately \$12 during the second quarter of fiscal year 2017.

Below is a reconciliation of segment total operating income to consolidated operating income:

Operating Income	Three Months Ended		Six Months Ended	
	31 March		31 March	
	2017	2016	2017	2016
Segment total	\$ 405.6	\$ 391.7	\$ 813.9	\$ 776.2
Business separation costs	—	(7.4)	(30.2)	(19.4)
Cost reduction and asset actions	(10.3)	(10.7)	(60.3)	(10.7)
Pension settlement loss	(4.1)	(2.0)	(4.1)	(2.0)
Consolidated Total	\$ 391.2	\$ 371.6	\$ 719.3	\$ 744.1

Below is a reconciliation of segment total assets to consolidated total assets:

Total Assets	31 March	30 September
	2017	2016
Segment total	\$ 17,861.7	\$ 16,060.1
Discontinued operations	9.8	1,968.5
Consolidated Total	\$ 17,871.5	\$ 18,028.6

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

(Millions of dollars, except for share data)

The disclosures in this quarterly report are complementary to those made in our 2016 Form 10-K. An analysis of results for the second quarter and first six months of 2017 is provided in the Management's Discussion and Analysis to follow.

On 1 October 2016, we completed the separation of EMD through the spin-off of Versum Materials, Inc. (Versum). On 3 January 2017, we completed the sale of PMD to Evonik Industries AG for \$3.8 billion in cash subject to customary post-closing adjustments, including working capital. As a result, these divisions are reflected in our consolidated financial statements as discontinued operations for all periods presented.

The discussion that follows, unless otherwise indicated, is on a continuing operations basis. All comparisons in the discussion are to the corresponding prior year unless otherwise stated. All amounts presented are in accordance with U.S. generally accepted accounting principles (GAAP), except as noted.

Captions such as income from continuing operations attributable to Air Products, net income attributable to Air Products and diluted earnings per share attributable to Air Products are simply referred to as "income from continuing operations," "net income," and "diluted earnings per share" throughout this Management's Discussion and Analysis, unless otherwise stated.

The discussion of results that follows includes comparisons to non-GAAP financial measures. The presentation of non-GAAP measures is intended to enhance the usefulness of financial information by providing measures which, when viewed together with our financial results reported in accordance with GAAP, provide a more complete understanding of the factors and trends affecting our historical financial performance and projected future results. The reconciliation of reported GAAP results to non-GAAP measures is presented on pages 46-51. Descriptions of the excluded items appear on pages 35 and 42.

SECOND QUARTER 2017 VS. SECOND QUARTER 2016

SECOND QUARTER 2017 IN SUMMARY

- Sales of \$1,980.1 increased 11%, or \$202.7 from higher volumes of 7% and higher energy contractual pass-through to customers of 5%, partially offset by 1% of unfavorable currency impacts.
- Operating income of \$391.2 increased 5%, or \$19.6, and operating margin of 19.8% decreased 110 basis points (bp). On a non-GAAP basis, operating income of \$405.6 increased 4%, or \$13.9, and operating margin of 20.5% decreased 150 bp.
- Adjusted EBITDA of \$651.6 increased 2%, or \$13.7. Adjusted EBITDA margin of 32.9% decreased 300 bp.
- Income from continuing operations of \$304.4 increased 9%, or \$25.5, and diluted earnings per share of \$1.39 increased 9%, or \$.11. On a non-GAAP basis, income from continuing operations of \$314.2 increased 5%, or \$16.3, and diluted earnings per share of \$1.43 increased 4%, or \$.06. A summary table of changes in diluted earnings per share is presented below.
- We completed the sale of PMD to Evonik Industries AG on 3 January 2017.
- We increased our quarterly dividend by 10% from \$.86 to \$.95 per share. This represents the 35th consecutive year that we have increased our dividend payment.

Changes in Diluted Earnings per Share Attributable to Air Products

	Three Months Ended		Increase (Decrease)
	2017	31 March 2016	
Diluted Earnings per Share			
Net Income (Loss)	\$ 9.70	\$ (2.17)	\$ 11.87
Income (Loss) from Discontinued Operations	8.31	(3.45)	11.76
Income from Continuing Operations – GAAP Basis	\$ 1.39	\$ 1.28	\$.11
Operating Income Impact (after-tax)			
Underlying business			
Volume			\$.08
Price/raw materials			(.03)
Costs			—
Currency			—
Business separation costs			.04
Cost reduction and asset actions			.01
Operating Income			\$.10
Other (after-tax)			
Equity affiliates' income			.01
Interest expense			(.02)
Other non-operating income (expense), net			.03
Income tax			—
Weighted average diluted shares			(.01)
Other			\$.01
Total Change in Diluted Earnings per Share from Continuing Operations – GAAP Basis			\$.11

	Three Months Ended		Increase (Decrease)
	2017	31 March 2016	
Income from Continuing Operations – GAAP Basis	\$ 1.39	\$ 1.28	\$.11
Business separation costs	—	.04	(.04)
Cost reduction and asset actions	.03	.04	(.01)
Pension settlement loss	.01	.01	—
Income from Continuing Operations – Non-GAAP Basis	\$ 1.43	\$ 1.37	\$.06

RESULTS OF OPERATIONS

Discussion of Consolidated Results

	Three Months Ended			
	31 March			
	2017	2016	\$ Change	Change
Sales	\$ 1,980.1	\$ 1,777.4	\$ 202.7	11%
Operating income	391.2	371.6	19.6	5%
Operating margin	19.8%	20.9%		(110 bp)
Equity affiliates' income	34.2	32.3	1.9	6%
Non-GAAP Basis				
Adjusted EBITDA	\$ 651.6	\$ 637.9	\$ 13.7	2%
Adjusted EBITDA margin	32.9%	35.9%		(300 bp)
Adjusted Operating income	405.6	391.7	13.9	4%
Adjusted Operating margin	20.5%	22.0%		(150 bp)

Sales

	% Change from Prior Year
Underlying business	
Volume	7 %
Price	— %
Currency	(1)%
Energy and natural gas cost pass-through	5 %
Total Consolidated Change	11 %

Underlying sales were up 7% due to higher volumes as price was flat. Taken together, higher sale of equipment volumes from the Industrial Gases Global segment, including the Jazan project, and lower LNG sales in the Corporate and other segment, increased volumes by 5%. Volumes in the regional Industrial Gases segments grew by 2%. Unfavorable currency impacts, primarily from the British Pound Sterling and the Chinese Renminbi, reduced sales by 1%. Higher energy and natural gas cost pass-through to customers increased sales by 5%.

Operating Income and Margin

Operating income of \$391.2 increased 5%, or \$19.6, as favorable volumes of \$23, were partially offset by unfavorable price net of power and fuel costs of \$8 and higher pension settlement loss of \$2. In addition, the prior year included business separation costs of \$7. Operating margin of 19.8% decreased 110 bp primarily due to higher energy and natural gas cost pass-through, unfavorable volume mix, and unfavorable price net of power and fuel costs. The unfavorable volume mix primarily resulted from both a reduction in liquefied natural gas project activity and an increase in air separation unit project activity.

On a non-GAAP basis, operating income of \$405.6 increased \$13.9. Operating margin of 20.5% decreased 150 bp.

Adjusted EBITDA

We define Adjusted EBITDA as income from continuing operations (including noncontrolling interests) excluding certain disclosed items, which the Company does not believe to be indicative of underlying business trends, before interest expense, other non-operating income (expense), net, income tax provision, and depreciation and amortization expense. Adjusted EBITDA provides a useful metric for management to assess operating performance.

Adjusted EBITDA of \$651.6 increased 2%, or \$13.7, primarily due to favorable volumes. Adjusted EBITDA margin of 32.9% decreased 300 bp primarily due to higher energy and natural gas cost pass-through, unfavorable volume mix, and unfavorable price net of power and fuel costs.

Equity Affiliates' Income

Income from equity affiliates of \$34.2 increased \$1.9 primarily due to higher income from Industrial Gases – Americas affiliates, partially offset by lower income from Industrial Gases – Asia affiliates.

Cost of Sales and Gross Margin

Cost of sales of \$1,403.8 increased \$190.8, due to higher costs attributable to sales volumes of \$118, higher energy and natural gas costs of \$90, and higher operating costs of \$7, partially offset by favorable currency impacts of \$24.

Gross margin of 29.1% decreased 270 bp, primarily due to unfavorable costs, including higher energy and natural gas cost pass-through of 200bp and volume mix of 120 bp, partially offset by favorable currency.

Selling and Administrative Expense

Selling and administrative expense of \$177.9 increased \$10.1, primarily due to higher costs in support of transition services agreements in which the reimbursement is reflected in other income (expense), net. Selling and administrative expense, as a percent of sales, decreased from 9.4% to 9.0%.

Research and Development

Research and development expense of \$14.8 decreased \$3.4. Research and development expense, as a percent of sales, decreased from 1.0% to .7%.

Business Separation Costs

In connection with the disposition of the two divisions comprising the former Materials Technologies segment, we incurred separation costs of \$7.4 (\$8.9 after-tax, or \$.04 per share) for the three months ended 31 March 2016. No business separation costs were incurred during the second quarter of fiscal 2017. These costs are reflected on the consolidated income statements as "Business separation costs" and include legal and advisory costs. A significant portion of these costs were not tax deductible because they were directly related to the plan for the tax-free spin-off of Versum. Refer to Note 3, Discontinued Operations, for additional information regarding the dispositions.

Cost Reduction and Asset Actions

During the three months ended 31 March 2017 and 2016, we recognized expenses of \$10.3 (\$7.2 after-tax, or \$.03 per share) and \$10.7 (\$8.8 after-tax, or \$.04 per share) for severance and other benefits related to cost reduction actions, respectively. Refer to Note 5, Cost Reduction and Asset Actions, for additional details.

Pension Settlement Losses

Certain of our pension plans provide for a lump sum benefit payment option at the time of retirement, or for corporate officers, six months after their retirement date. A participant's vested benefit is considered settled upon cash payment of the lump sum. We recognize pension settlement losses when cash payments exceed the sum of the service and interest cost components of net periodic benefit cost of the plan for the fiscal year. During the three months ended 31 March 2017 and 2016, we recognized \$4.1 (\$2.6 after-tax, or \$.01 per share) and \$2.0 (\$1.3 after-tax, or \$.01 per share) of settlement charges, respectively, to accelerate recognition of a portion of actuarial losses deferred in accumulated other comprehensive loss associated with the U.S. Supplementary Pension Plan. We expect that additional settlement losses will be recognized during the second half of fiscal year 2017.

Other Income (Expense), Net

Other income (expense), net of \$22.0 increased \$8.7 primarily due to income from the transition services agreements with Versum for EMD and Evonik for PMD and a favorable foreign exchange impact, partially offset by contract settlement gains in the prior year.

Interest Expense

	Three Months Ended	
	31 March	
	2017	2016
Interest incurred	\$ 36.4	\$ 36.2
Less: capitalized interest	5.9	10.5
Interest expense	\$ 30.5	\$ 25.7

Interest incurred increased \$.2 as the impact from a higher average interest rate on the debt portfolio was mostly offset by the impact from a lower average debt balance. The change in capitalized interest was driven by a decrease in the carrying value of projects under construction, primarily as a result of our decision to exit from the Energy-from-Waste business in the second quarter of fiscal year 2016.

Other Non-Operating Income (Expense), net

Other non-operating income (expense), net of \$9.7 primarily resulted from interest income on cash, time deposits, and other short-term investments, which are comprised primarily of proceeds from the sale of PMD that was completed during the second quarter of fiscal year 2017.

Effective Tax Rate

The effective tax rate equals the income tax provision divided by income from continuing operations before taxes. The effective tax rate was 23.4% and 24.7% in the second quarter of 2017 and 2016, respectively. The decrease included a 70 bp impact from excess tax benefits on shared-based compensation in accordance with our adoption of new accounting guidance. In addition, the prior year included business separation costs for which a tax benefit was not available. On a non-GAAP basis, the effective tax rate was 23.7% and 23.8% in 2017 and 2016, respectively. Refer to Note 2, New Accounting Guidance, for additional information on our adoption of the share based compensation accounting guidance.

Discontinued Operations

The results of our previous Materials Technologies segment, which contained EMD and PMD, and the former Energy-from-Waste segment have been presented as discontinued operations. Refer to Note 3, Discontinued Operations, for additional information, including detail of the major line items that comprise income from discontinued operations, net of tax, on the consolidated income statements for the three months ended 31 March 2017 and 2016.

Materials Technologies

On 16 September 2015, we announced plans to separate our Materials Technologies business, which contained EMD and PMD. On 1 October 2016, we completed the separation of EMD through the spin-off of Versum. On 3 January 2017, we completed the sale of PMD to Evonik Industries AG for \$3.8 billion in cash subject to customary post-closing adjustments, including working capital. A gain of \$2,870 (\$1,833 after-tax, or \$8.34 per share) was recognized on the sale in the second quarter of fiscal year 2017.

Energy-from-Waste

During the second quarter of fiscal year 2016, the Board of Directors approved the Company's exit of its Energy-from-Waste (EfW) business. As a result, efforts to start up and operate its two EfW projects located in Tees Valley, United Kingdom, had been discontinued and a loss on disposal of \$945.7 (\$846.6 after-tax) was recorded to write down assets to their estimated net realizable value and record a liability for plant disposition and other costs.

Segment Analysis

Industrial Gases – Americas

	Three Months Ended		\$ Change	% Change
	31 March			
	2017	2016		
Sales	\$ 890.1	\$ 798.1	\$ 92.0	12%
Operating income	224.5	223.5	1.0	—%
Operating margin	25.2%	28.0%		(280 bp)
Equity affiliates' income	13.0	7.7	5.3	69%
Adjusted EBITDA	353.5	341.0	12.5	4%
Adjusted EBITDA margin	39.7%	42.7%		(300 bp)

Industrial Gases – Americas Sales

	% Change from Prior Year
Underlying business	
Volume	1%
Price	1%
Currency	1%
Energy and natural gas cost pass-through	9%
Total Industrial Gases – Americas Sales Change	12%

Underlying sales were up 2%. Higher volumes and higher price each contributed 1%. In North America, volumes increased 1% as the impacts from a new hydrogen plant in Canada and stronger argon and helium merchant volumes were partially offset by the impact of planned customer maintenance outages. Latin America volumes were down 3%, primarily due to weakness in hardwoods. Favorable currency impacts increased sales by 1%. Higher energy and natural gas cost pass-through to customers increased sales by 9%. Due to recent volume weakness in Latin America, we will be assessing implications on future business performance.

Industrial Gases – Americas Operating Income and Margin

Operating income of \$224.5 increased \$1.0, as favorable volumes and currency of \$2 each were partially offset by higher costs of \$3. Operating costs were higher primarily from higher maintenance costs due to the planned customer maintenance outages. Operating margin of 25.2% decreased 280 bp from the prior year primarily due to higher energy and natural gas cost pass-through and unfavorable costs.

Industrial Gases – Americas Equity Affiliates' Income

Equity affiliates' income of \$13.0 increased \$5.3 primarily due to lower maintenance expense.

Industrial Gases – Europe, Middle East, and Africa (EMEA)

	Three Months Ended			
	31 March		\$ Change	% Change
	2017	2016		
Sales	\$ 414.2	\$ 421.8	\$ (7.6)	(2)%
Operating income	86.5	90.0	(3.5)	(4)%
Operating margin	20.9%	21.3%		(40 bp)
Equity affiliates' income	8.3	7.2	1.1	15%
Adjusted EBITDA	136.4	145.4	(9.0)	(6)%
Adjusted EBITDA margin	32.9%	34.5%		(160 bp)

Industrial Gases – EMEA Sales

	% Change from Prior Year
Underlying business	
Volume	1 %
Price	— %
Currency	(6)%
Energy and natural gas cost pass-through	3 %
Total Industrial Gases – EMEA Sales Change	(2)%

Underlying sales were up 1% from higher volumes as pricing was flat. Volumes increased from stronger packaged gas and retail liquid bulk demand. Unfavorable currency impacts, primarily from the British Pound Sterling, reduced sales by 6%. Higher energy and natural gas cost pass-through to customers increased sales by 3%.

Industrial Gases – EMEA Operating Income and Margin

Operating income of \$86.5 decreased by 4%, or \$3.5, primarily due to unfavorable currency impacts of \$7 and lower price net of power and fuel costs of \$5, partially offset by favorable volumes of \$8. Operating margin of 20.9% decreased 40 bp from the prior year, primarily due to higher energy and natural gas cost pass-through.

Industrial Gases – EMEA Equity Affiliates' Income

Equity affiliates' income of \$8.3 increased \$1.1.

Industrial Gases – Asia

	Three Months Ended 31 March			
	2017	2016	\$ Change	% Change
Sales	\$ 435.9	\$ 407.9	\$ 28.0	7%
Operating income	112.0	105.0	7.0	7%
Operating margin	25.7%	25.7%		— bp
Equity affiliates' income	12.9	17.4	(4.5)	(26)%
Adjusted EBITDA	174.2	171.2	3.0	2%
Adjusted EBITDA margin	40.0%	42.0%		(200 bp)

Industrial Gases – Asia Sales

	% Change from Prior Year
Underlying business	
Volume	8 %
Price	— %
Currency	(1)%
Energy and natural gas cost pass-through	— %
Total Industrial Gases – Asia Sales Change	7 %

Underlying sales were up 8% from higher volumes. Volumes increased primarily due to new plants, including the increase in volume of pass-through utilities, and base business growth driven by higher merchant volumes across Asia. Unfavorable currency impacts, primarily from the Chinese Renminbi, partially offset by strengthening of the South Korean Won and Taiwan Dollar, reduced sales by 1%.

Industrial Gases – Asia Operating Income and Margin

Operating income of \$112.0 increased 7%, or \$7.0, primarily due to higher volumes of \$7 and lower operating costs of \$3, partially offset by unfavorable price net of power and fuel costs of \$3. Operating margin of 25.7% was flat from the prior year, as higher utility pass through on new plants and unfavorable price net of power and fuel costs was offset by favorable cost performance.

Industrial Gases – Asia Equity Affiliates' Income

Equity affiliates' income of \$12.9 decreased \$4.5 primarily due to a favorable contract termination in the prior year.

Industrial Gases – Global

	Three Months Ended 31 March			
	2017	2016	\$ Change	% Change
Sales	\$ 216.5	\$ 86.6	\$ 129.9	150%
Operating income (loss)	22.8	(10.8)	33.6	311%
Adjusted EBITDA	24.5	(9.0)	33.5	372%

Industrial Gases – Global Sales and Operating Income (Loss)

The Industrial Gases – Global segment includes sales of cryogenic and gas processing equipment for air separation and centralized global costs associated with management of all the regional Industrial Gases segments.

Sales of \$216.5 increased \$129.9, or 150%. The increase in sales was driven by a sale of equipment contract for multiple air separation units that will serve Saudi Aramco's Jazan oil refinery and power plant in Saudi Arabia, which more than offset the decrease in small equipment and other air separation unit sales.

Operating income of \$22.8 increased \$33.6 from an operating loss in the prior year, primarily from income on the Jazan project.

Corporate and other

	Three Months Ended			
	31 March			
	2017	2016	\$ Change	% Change
Sales	\$ 23.4	\$ 63.0	\$ (39.6)	(63)%
Operating loss	(40.2)	(16.0)	(24.2)	(151)%
Adjusted EBITDA	(37.0)	(10.7)	(26.3)	(246)%

Corporate and other Sales and Operating Loss

Sales of \$23.4 decreased \$39.6 primarily due to lower liquefied natural gas (LNG) project activity. We expect delays in new LNG project orders due to continued weakness in energy markets. Operating loss of \$40.2 increased \$24.2 due to lower LNG activity, partially offset by income from the transition service agreements with Versum and Evonik.

FIRST SIX MONTHS 2017 VS. FIRST SIX MONTHS 2016

FIRST SIX MONTHS 2017 IN SUMMARY

- Sales of \$3,862.6 increased 6%, or \$218.9, as underlying sales growth of 5% and higher energy and natural gas cost pass-through to customers of 3% were partially offset by unfavorable currency impacts of 2%. The underlying sales growth was primarily from higher volumes in the Industrial Gases – Global and Industrial Gases – Asia segments.
- Operating income of \$719.3 decreased 3%, or \$24.8, and operating margin of 18.6% decreased 180 bp. On a non-GAAP basis, operating income of \$813.9 increased 5%, or \$37.7, and operating margin of 21.1% decreased 20 bp.
- Adjusted EBITDA of \$1,304.0, increased 3%, or \$33.6, primarily due to favorable cost performance. Adjusted EBITDA margin of 33.8% decreased 110 bp.
- Income from continuing operations of \$556.0 decreased 1%, or \$3.8, and diluted earnings per share of \$2.53 decreased 2%, or \$.04. On a non-GAAP basis, income from continuing operations of \$636.2 increased 8%, or \$45.4, and diluted earnings per share of \$2.90 increased 7%, or \$.19. A summary table of changes in diluted earnings per share is presented below.
- We completed the spin-off of EMD as Versum Materials, Inc. on 1 October 2016.
- We completed the sale of PMD to Evonik Industries AG on 3 January 2017.
- We increased our quarterly dividend by 10% from \$.86 to \$.95 per share. This represents the 35th consecutive year that we have increased our dividend payment.

Changes in Diluted Earnings per Share Attributable to Air Products

	Six Months Ended			Increase (Decrease)		
	2017	31 March	2016			
Diluted Earnings per Share						
Net Income (Loss)	\$	11.06	\$	(.51)	\$	11.57
Income (Loss) from Discontinued Operations		8.53		(3.08)		11.61
Income from Continuing Operations – GAAP Basis	\$	2.53	\$	2.57	\$	(.04)
Operating Income Impact (after-tax)						
Underlying business						
Volume					\$.01
Price/raw materials						(.03)
Costs						.20
Currency						(.04)
Business separation costs						(.03)
Cost reduction and asset actions						(.19)
Operating Income					\$	(.08)
Other (after-tax)						
Equity affiliates' income						.02
Interest expense						(.04)
Other non-operating income (expense), net						.03
Income tax						.06
Tax costs associated with business separation						(.01)
Weighted average diluted shares						(.02)
Other					\$.04
Total Change in Diluted Earnings per Share from Continuing Operations – GAAP Basis					\$	(.04)

	Six Months Ended			Increase (Decrease)		
	2017	31 March	2016			
Income from Continuing Operations – GAAP Basis	\$	2.53	\$	2.57	\$	(.04)
Business separation costs		.12		.09		.03
Tax costs associated with business separation		.01		—		.01
Cost reduction and asset actions		.23		.04		.19
Pension settlement loss		.01		.01		—
Income from Continuing Operations – Non-GAAP Basis	\$	2.90	\$	2.71	\$.19

RESULTS OF OPERATIONS

Discussion of Consolidated Results

	Six Months Ended			
	31 March		\$ Change	Change
	2017	2016		
Sales	\$ 3,862.6	\$ 3,643.7	\$ 218.9	6 %
Operating income	719.3	744.1	(24.8)	(3)%
Operating margin	18.6%	20.4%		(180 bp)
Equity affiliates' income	72.2	65.6	6.6	10 %
Non-GAAP Basis				
Adjusted EBITDA	1,304.0	1,270.4	33.6	3 %
Adjusted EBITDA margin	33.8%	34.9%		(110 bp)
Adjusted Operating income	813.9	776.2	37.7	5 %
Adjusted Operating margin	21.1%	21.3%		(20 bp)

Sales

	% Change from Prior Year
Underlying business	
Volume	5 %
Price	—
Currency	(2)%
Energy and natural gas cost pass-through	3 %
Total Consolidated Change	6 %

Underlying sales were up 5% due to higher volumes as price was flat. Taken together, higher sale of equipment volumes from the Industrial Gases Global segment, including the Jazan project, and lower LNG sales in the Corporate and other segment, increased volumes by 3%. Volumes in the regional Industrial Gases segments grew by 2%, driven primarily by higher volumes in Industrial Gases- Asia. Unfavorable currency impacts reduced sales by 2% and higher energy and natural gas cost pass-through to customers increased sales by 3%.

Operating Income and Margin

Operating income of \$719.3 decreased 3%, or \$24.8, as higher cost reduction and asset actions of \$50, unfavorable price net of power and fuel costs of \$11, unfavorable currency impacts of \$11, higher business separation costs of \$11, and higher pension settlement losses of \$2, were partially offset by favorable net operating costs of \$58 and favorable volumes of \$2. Net operating costs were lower primarily due to benefits from operational improvements and higher other income. Operating margin of 18.6% decreased 180bp primarily due to higher cost reduction and asset actions and business separation costs.

On a non-GAAP basis, operating income of \$813.9 increased 5%, or \$37.7, and operating margin of 21.1% decreased 20bp primarily due to unfavorable volume mix and higher energy and natural gas cost pass-through, mostly offset by favorable cost performance from operational improvements.

Adjusted EBITDA

Adjusted EBITDA of \$1,304.0 increased 3%, or \$33.6, primarily due to favorable costs. Adjusted EBITDA margin of 33.8% decreased 110bp.

Equity Affiliates' Income

Income from equity affiliates of \$72.2 increased \$6.6, primarily due to higher income from Industrial Gases – Americas and Industrial Gases – EMEA affiliates, partially offset by lower income from Industrial Gases – Asia affiliates.

Cost of Sales and Gross Margin

Cost of sales of \$2,721.9 increased \$213.0, due to higher costs attributable to sales volumes of \$170 and higher energy and natural gas costs of \$128, partially offset by favorable currency impacts of \$68 and lower operating costs of \$17.

Gross margin of 29.5% decreased 160 bp, primarily due to unfavorable volume mix and higher energy and natural gas cost pass-through.

Selling and Administrative Expense

Selling and administrative expense of \$343.6 increased \$1.9. Selling and administrative expense, as a percent of sales, decreased from 9.4% to 8.9%.

Research and Development

Research and development expense of \$29.9 decreased \$5.2 due to lower costs. Research and development expense, as a percent of sales, decreased from 1.0% to .8%.

Business Separation Costs

In connection with the disposition of the two divisions comprising the former Materials Technologies segment, we incurred separation costs of \$30.2 (\$26.5 after-tax, or \$.12 per share) and \$19.4 (\$20.9 including tax impact, or \$.09 per share), for the six months ended 31 March 2017 and 2016, respectively. These costs are reflected on the consolidated income statements as "Business separation costs" and include legal, advisory, and pension related costs. A significant portion of these costs were not tax deductible because they were directly related to the plan for the tax-free spin-off of Versum. In addition, our income tax provision for the six months ended 31 March 2017 includes additional tax expense related to the separation of \$2.7 (\$.01 per share). Refer to the discussion on Discontinued Operations below and Note 3, Discontinued Operations, to the consolidated financial statements for additional information regarding the dispositions.

Cost Reduction and Asset Actions

During the six months ended 31 March 2017, we recognized a net expense of \$60.3 (\$48.4 after-tax, or \$.23 per share). This expense included \$45.7 from the first quarter write-down of an air separation unit in the Industrial Gases – EMEA segment that was constructed mainly to provide oxygen to one of the Energy-from-Waste plants and expense for severance and other benefits.

Through fiscal year 2016, we incurred severance and other benefits related to the elimination of approximately 610 positions. During the six months ended 31 March 2016, we recognized an expense of \$10.7 (\$8.8 after-tax, or \$.04 per share) for severance and other benefits related to cost reduction actions. The fiscal year 2016 expenses primarily related to the Industrial Gases – Americas and the Industrial Gases – EMEA segments.

Refer to Note 5, Cost Reduction and Asset Actions, for additional details.

Pension Settlement Losses

Certain of our pension plans provide for a lump sum benefit payment option at the time of retirement, or for corporate officers, six months after their retirement date. A participant's vested benefit is considered settled upon cash payment of the lump sum. We recognize pension settlement losses when cash payments exceed the sum of the service and interest cost components of net periodic benefit cost of the plan for the fiscal year. During the six months ended 31 March 2017 and 2016, we recognized \$4.1 (\$2.6 after-tax, or \$.01 per share) and \$2.0 (\$1.3 after-tax, or \$.01 per share) of settlement charges, respectively, to accelerate recognition of a portion of actuarial losses deferred in accumulated other comprehensive loss associated with the U.S. Supplementary Pension Plan. We expect that additional settlement losses will be recognized during the second half of fiscal year 2017.

Other Income (Expense), Net

Other income (expense), net of \$46.7 increased \$28.5, primarily due to income from the transition services agreements with Versum for EMD and Evonik for PMD, higher gains from asset sales, and a favorable foreign exchange impact.

Interest Expense

	Six Months Ended 31 March	
	2017	2016
Interest incurred	\$ 72.2	\$ 72.0
Less: capitalized interest	12.2	24.1
Interest expense	\$ 60.0	\$ 47.9

Interest incurred increased \$.2 as the impact from a higher average interest rate on the debt portfolio was mostly offset by the impact from a lower average debt balance. The change in capitalized interest was driven by a decrease in the carrying value of

projects under construction, primarily as a result of our decision to exit from the Energy-from-Waste business in the second quarter of fiscal year 2016.

Other Non-Operating Income (Expense), net

Other non-operating income (expense), net of \$9.7 for the six months ended 31 March 2017 primarily resulted from interest income on cash, time deposits, and other short-term investments, which are comprised primarily of proceeds from the sale of PMD that was completed during the second quarter of fiscal year 2017.

Effective Tax Rate

The effective tax rate equals the income tax provision divided by income from continuing operations before taxes. The effective tax rate was 23.3% and 24.9% for the six months ended 31 March 2017 and 2016, respectively. The decrease included a 130 bp impact from excess tax benefits on share-based compensation in accordance with our adoption of new accounting guidance. In addition, benefits related to foreign tax law changes were substantially offset by higher business separation costs for which a tax benefit was not available. On a non-GAAP basis, the effective tax rate was 22.4% and 24.1% for the six months ended 31 March 2017 and 2016, respectively, primarily due to the benefits on share-based compensation and foreign tax law changes.

Discontinued Operations

The results of our previous Materials Technologies segment, which contained EMD and PMD, and the former Energy-from-Waste segment have been presented as discontinued operations. Refer to Note 3, Discontinued Operations, for additional information, including detail of the major line items that comprise income from discontinued operations, net of tax, on the consolidated income statements for the six months ended 31 March 2017 and 2016.

Materials Technologies

On 16 September 2015, we announced plans to separate our Materials Technologies business, which contained EMD and PMD. On 1 October 2016, we completed the separation of EMD through the spin-off of Versum. On 3 January 2017, we completed the sale of PMD to Evonik Industries AG for \$3.8 billion in cash subject to customary post-closing adjustments, including working capital. A gain of \$2,870.0 (\$1,833 after-tax, or \$8.34 per share) was recognized on the sale in the second quarter of fiscal year 2017. As a result of the dispositions, both EMD and PMD are reflected in our consolidated financial statements as discontinued operations for all periods presented.

Energy-from-Waste

During the second quarter of fiscal year 2016, the Board of Directors approved the Company's exit of its Energy-from-Waste (EfW) business. As a result, efforts to start up and operate its two EfW projects located in Tees Valley, United Kingdom, had been discontinued and a loss on disposal of \$945.7 (\$846.6 after-tax) was recorded to write down plant assets to their estimated net realizable value and record a liability for plant disposition and other costs.

During the first quarter of fiscal year 2017, we determined that it is unlikely for a buyer to assume the remaining assets and contract obligations, including the related land lease. As a result, we recorded an additional loss of \$59.3 (\$47.1 after-tax) in results of discontinued operations, of which \$53.0 was recorded primarily for land lease obligations and \$6.3 was recorded to update our estimate of the net realizable value of the plant assets as of 31 December 2016. There have been no changes to our estimates during the second quarter of fiscal year 2017.

Segment Analysis

Industrial Gases – Americas

	Six Months Ended			
	31 March		\$ Change	% Change
	2017	2016		
Sales	\$ 1,754.0	\$ 1,634.4	\$ 119.6	7%
Operating income	448.3	435.1	13.2	3%
Operating margin	25.6%	26.6%		(100 bp)
Equity affiliates' income	27.7	22.2	5.5	25%
Adjusted EBITDA	703.8	676.1	27.7	4%
Adjusted EBITDA margin	40.1%	41.4%		(130 bp)

Industrial Gases – Americas Sales

	% Change from Prior Year
Underlying business	
Volume	(1)%
Price	— %
Currency	1 %
Energy and natural gas cost pass-through	7 %
Total Industrial Gases – Americas Sales Change	7 %

Underlying sales were down 1% primarily from lower volumes in Latin America. Favorable currency impacts increased sales by 1%. Higher energy and natural gas cost pass-through to customers increased sales by 7%.

Industrial Gases – Americas Operating Income and Margin

Operating income of \$448.3 increased 3%, or \$13.2, primarily due to lower operating costs of \$24 and higher price, net of power and fuel costs, of \$2, partially offset by lower volumes of \$14. Operating costs were lower due to benefits from productivity improvements. Operating margin decreased 100bp from the prior year due to higher energy and natural gas pass-through and lower volumes, partially offset by favorable cost performance.

Industrial Gases – Americas Equity Affiliates' Income

Equity affiliates' income of \$27.7 increased \$5.5 primarily due to lower maintenance expense.

Industrial Gases – EMEA

	Six Months Ended			
	31 March			
	2017	2016	\$ Change	% Change
Sales	\$ 813.9	\$ 861.4	\$ (47.5)	(6)%
Operating income	174.5	182.3	(7.8)	(4)%
Operating margin	21.4%	21.2%		20 bp
Equity affiliates' income	17.8	14.8	3.0	20 %
Adjusted EBITDA	276.1	292.1	(16.0)	(5)%
Adjusted EBITDA margin	33.9%	33.9%		— bp

Industrial Gases – EMEA Sales

	% Change from Prior Year
Underlying business	
Volume	(1)%
Price	— %
Currency	(6)%
Energy and natural gas cost pass-through	1 %
Total Industrial Gases – EMEA Sales Change	(6)%

Underlying sales were down 1% due to lower volumes. Volumes decreased primarily due to lower liquid volumes across all regions. Unfavorable currency effects, primarily from the British Pound Sterling, reduced sales by 6%. Higher energy and natural gas cost pass-through to customers increased sales by 1%.

Industrial Gases – EMEA Operating Income and Margin

Operating income of \$174.5 decreased by 4%, or \$7.8, primarily due to unfavorable currency impacts of \$14 and lower price, net of power and fuel costs, of \$7, partially offset by lower operating costs of \$9 and higher volumes of \$4. Operating margin increased 20bp from the prior year, primarily due to favorable cost performance and higher volumes, mostly offset by lower price net of power and fuel costs and unfavorable currency.

Industrial Gases – EMEA Equity Affiliates’ Income

Equity affiliates’ income of \$17.8 increased \$3.0.

Industrial Gases – Asia

	Six Months Ended				
	31 March		\$ Change	% Change	
	2017	2016			
Sales	\$ 874.2	\$ 822.5	\$ 51.7	6 %	
Operating income	230.1	222.3	7.8	4 %	
Operating margin	26.3%	27.0%		(70 bp)	
Equity affiliates’ income	26.4	29.1	(2.7)	(9)%	
Adjusted EBITDA	352.5	352.1	.4	— %	
Adjusted EBITDA margin	40.3%	42.8%		(250 bp)	

Industrial Gases – Asia Sales

	% Change from Prior Year
Underlying business	
Volume	9 %
Price	(1)%
Currency	(2)%
Energy and natural gas cost pass-through	—
Total Industrial Gases – Asia Sales Change	6 %

Underlying sales were up 8% from higher volumes of 9%, partially offset by lower pricing of 1%. Volumes increased primarily due to new plants, including the commencement of a utility pass-through, and base business growth driven by higher merchant volumes across Asia. Pricing was down slightly primarily due to helium pricing. Unfavorable currency impacts reduced sales by 2% primarily from the Chinese Renminbi, partially offset by strengthening of the South Korean Won and Taiwan Dollar.

Industrial Gases – Asia Operating Income and Margin

Operating income of \$230.1 increased 4%, or \$7.8, primarily due to higher volumes of \$14 and lower operating costs of \$4, partially offset by lower price net of power and fuel costs of \$6 and an unfavorable currency impact of \$4. Operating margin decreased 70bp from the prior year, primarily due to higher utility pass through on new plants and lower price net of power and fuel costs, partially offset by favorable cost performance.

Industrial Gases – Asia Equity Affiliates’ Income

Equity affiliates’ income of \$26.4 decreased \$2.7, primarily due to a favorable contract termination in the prior year.

Industrial Gases – Global

	Six Months Ended				
	31 March		\$ Change	% Change	
	2017	2016			
Sales	\$ 364.4	\$ 190.9	\$ 173.5	91%	
Operating income (loss)	31.0	(30.1)	61.1	203%	
Adjusted EBITDA	35.0	(26.7)	61.7	231%	

Industrial Gases – Global Sales and Operating Income (Loss)

Sales of \$364.4 increased \$173.5, or 91%. The increase in sales was driven by a sale of equipment contract for multiple air separation units that will serve Saudi Aramco’s Jazan oil refinery and power plant in Saudi Arabia which more than offset the decrease in small equipment and other air separation unit sales.

Operating income of \$31.0 increased \$61.1 from an operating loss in the prior year, primarily from income on the Jazan project and productivity improvements.

Corporate and other

	Six Months Ended			
	31 March			
	2017	2016	\$ Change	% Change
Sales	\$ 56.1	\$ 134.5	\$ (78.4)	(58)%
Operating income (loss)	(70.0)	(33.4)	(36.6)	(110)%
Adjusted EBITDA	(63.4)	(23.2)	(40.2)	(173)%

Corporate and other Sales and Operating Loss

Sales of \$56.1 decreased \$78.4, primarily due to lower LNG project activity. We expect delays in new LNG project orders due to continued weakness in energy markets. Operating loss of \$70.0 increased \$36.6 due to lower LNG activity, partially offset by productivity improvements and income from the transition service agreements with Versum and Evonik.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(Millions of dollars unless otherwise indicated, except for share data)

The Company has presented certain financial measures on a non-GAAP (“adjusted”) basis and has provided a reconciliation to the most directly comparable financial measure calculated in accordance with GAAP. These financial measures are not meant to be considered in isolation or as a substitute for the most directly comparable financial measure calculated in accordance with GAAP. The Company believes these non-GAAP measures provide investors, potential investors, securities analysts, and others with useful information to evaluate the performance of the business because such measures, when viewed together with our financial results computed in accordance with GAAP, provide a more complete understanding of the factors and trends affecting our historical financial performance and projected future results.

In many cases, our non-GAAP measures are determined by adjusting the most directly comparable GAAP financial measure to exclude certain disclosed items (“non-GAAP adjustments”) that we believe are not representative of the underlying business performance. For example, Air Products has executed its strategic plan to restructure the Company and, as part of this plan, is now focusing on the Company’s core Industrial Gases businesses, which will continue to result in significant cost reduction and asset actions that we believe are important for investors to understand separately from the performance of the underlying business. The tax impact of our non-GAAP adjustments reflects the expected current and deferred income tax expense impact of the transactions and is impacted primarily by the statutory tax rate of the various relevant jurisdictions and the taxability of the adjustments in those jurisdictions. In evaluating these financial measures, the reader should be aware that we may incur expenses similar to those eliminated in this presentation in the future. Investors should also consider the limitations associated with these non-GAAP measures, including the potential lack of comparability of these measures from one company to another.

Presented below are reconciliations of the reported GAAP results to the non-GAAP measures:

CONSOLIDATED RESULTS

2017 vs. 2016	Continuing Operations				
	Three Months Ended 31 March				
	Operating Income	Operating Margin (A)	Income Tax Provision(B)	Net Income	Diluted EPS
2017 GAAP	\$ 391.2	19.8%	\$ 94.5	\$ 304.4	\$ 1.39
2016 GAAP	371.6	20.9%	93.5	278.9	1.28
Change GAAP	\$ 19.6	(110)bp	\$ 1.0	\$ 25.5	\$.11
% Change GAAP	5%			9%	9%
2017 GAAP	\$ 391.2	19.8%	\$ 94.5	\$ 304.4	\$ 1.39
Cost reduction and asset actions	10.3	.5%	3.1	7.2	.03
Pension settlement loss	4.1	.2%	1.5	2.6	.01
2017 Non-GAAP Measure	\$ 405.6	20.5%	\$ 99.1	\$ 314.2	\$ 1.43
2016 GAAP	\$ 371.6	20.9%	\$ 93.5	\$ 278.9	\$ 1.28
Business separation costs	7.4	.4%	(1.5)	8.9	.04
Cost reduction and asset actions	10.7	.6%	1.9	8.8	.04
Pension settlement loss	2.0	.1%	.7	1.3	.01
2016 Non-GAAP Measure	\$ 391.7	22.0%	\$ 94.6	\$ 297.9	\$ 1.37
Change Non-GAAP Measure	\$ 13.9	(150)bp	\$ 4.5	\$ 16.3	\$.06
% Change Non-GAAP Measure	4%			5%	4%

2017 vs. 2016	Continuing Operations				
	Six Months Ended 31 March				
	Operating Income	Operating Margin(A)	Income Tax Provision(B)	Net Income	Diluted EPS
2017 GAAP	\$ 719.3	18.6%	\$ 172.9	\$ 556.0	\$ 2.53
2016 GAAP	744.1	20.4%	189.9	559.8	2.57
Change GAAP	\$ (24.8)	(180)bp	\$ (17.0)	\$ (3.8)	\$ (.04)
% Change GAAP	(3)%			(1)%	(2)%
2017 GAAP	\$ 719.3	18.6%	\$ 172.9	\$ 556.0	\$ 2.53
Business separation costs	30.2	.8%	3.7	26.5	.12
Tax costs associated with business separation	—	—%	(2.7)	2.7	.01
Cost reduction and asset actions	60.3	1.6%	11.9	48.4	.23
Pension settlement loss	4.1	.1%	1.5	2.6	.01
2017 Non-GAAP Measure	\$ 813.9	21.1%	\$ 187.3	\$ 636.2	\$ 2.90
2016 GAAP	\$ 744.1	20.4%	\$ 189.9	\$ 559.8	\$ 2.57
Business separation costs	19.4	.5%	(1.5)	20.9	.09
Cost reduction and asset actions	10.7	.3%	1.9	8.8	.04
Pension settlement loss	2.0	.1%	.7	1.3	.01
2016 Non-GAAP Measure	\$ 776.2	21.3%	\$ 191.0	\$ 590.8	\$ 2.71
Change Non-GAAP Measure	\$ 37.7	(20)bp	\$ (3.7)	\$ 45.4	\$.19
% Change Non-GAAP Measure	5%			8%	7%

(A) Operating margin is calculated by dividing operating income by sales.

(B) The tax impact of our non-GAAP adjustments reflects the expected current and deferred income tax expense impact of the transactions and is impacted primarily by the statutory tax rate of the various relevant jurisdictions and the taxability of the adjustments in those jurisdictions.

ADJUSTED EBITDA

We define Adjusted EBITDA as income from continuing operations (including noncontrolling interests) excluding certain disclosed items, which the Company does not believe to be indicative of underlying business trends, before interest expense, other non-operating income (expense), net, income tax provision, and depreciation and amortization expense. Adjusted EBITDA provides a useful metric for management to assess operating performance.

Below is a reconciliation of Income from Continuing Operations on a GAAP basis to Adjusted EBITDA:

	Three Months Ended		Six Months Ended	
	31 March		31 March	
	2017	2016	2017	2016
Income from Continuing Operations^(A)	\$ 310.1	\$ 284.7	\$ 568.3	\$ 571.9
Add: Interest expense	30.5	25.7	60.0	47.9
Less: Other non-operating income (expense), net	9.7	—	9.7	—
Add: Income tax provision	94.5	93.5	172.9	189.9
Add: Depreciation and amortization	211.8	213.9	417.9	428.6
Add: Business separation costs	—	7.4	30.2	19.4
Add: Cost reduction and asset actions	10.3	10.7	60.3	10.7
Add: Pension settlement loss	4.1	2.0	4.1	2.0
Adjusted EBITDA	\$ 651.6	\$ 637.9	\$ 1,304.0	\$ 1,270.4
Change GAAP				
Income from continuing operations change	\$ 25.4		\$ (3.6)	
Income from continuing operations % change	9%		(1)%	
Change Non-GAAP				
Adjusted EBITDA change	\$ 13.7		\$ 33.6	
Adjusted EBITDA % change	2%		3%	

^(A) Includes net income attributable to noncontrolling interests.

Below is a reconciliation of segment operating income to Adjusted EBITDA:

	Industrial Gases— Americas	Industrial Gases— EMEA	Industrial Gases— Asia	Industrial Gases— Global	Corporate and other	Segment Total
GAAP MEASURE						
Three Months Ended 31 March 2017						
Operating income (loss)	\$ 224.5	\$ 86.5	\$ 112.0	\$ 22.8	\$ (40.2)	\$ 405.6
Operating margin	25.2%	20.9 %	25.7%			20.5%
Three Months Ended 31 March 2016						
Operating income (loss)	\$ 223.5	\$ 90.0	\$ 105.0	\$ (10.8)	\$ (16.0)	\$ 391.7
Operating margin	28.0%	21.3 %	25.7%			22.0%
Operating income (loss) change	\$ 1.0	\$ (3.5)	\$ 7.0	\$ 33.6	\$ (24.2)	\$ 13.9
Operating income (loss) % change	—%	(4)%	7%	311%	(151)%	4%
Operating margin change	(280) bp	(40) bp	—			(150) bp
NON-GAAP MEASURE						
Three Months Ended 31 March 2017						
Operating income (loss)	\$ 224.5	\$ 86.5	\$ 112.0	\$ 22.8	\$ (40.2)	\$ 405.6
Add: Depreciation and amortization	116.0	41.6	49.3	1.7	3.2	211.8
Add: Equity affiliates' income	13.0	8.3	12.9	—	—	34.2
Adjusted EBITDA	\$ 353.5	\$ 136.4	\$ 174.2	\$ 24.5	\$ (37.0)	\$ 651.6
Adjusted EBITDA margin	39.7%	32.9 %	40.0%			32.9%
Three Months Ended 31 March 2016						
Operating income (loss)	\$ 223.5	\$ 90.0	\$ 105.0	\$ (10.8)	\$ (16.0)	\$ 391.7
Add: Depreciation and amortization	109.8	48.2	48.8	1.8	5.3	213.9
Add: Equity affiliates' income	7.7	7.2	17.4	—	—	32.3
Adjusted EBITDA	\$ 341.0	\$ 145.4	\$ 171.2	\$ (9.0)	\$ (10.7)	\$ 637.9
Adjusted EBITDA margin	42.7%	34.5 %	42.0%			35.9%
Adjusted EBITDA change	\$ 12.5	\$ (9.0)	\$ 3.0	\$ 33.5	\$ (26.3)	\$ 13.7
Adjusted EBITDA % change	4%	(6)%	2%	372%	(246)%	2%
Adjusted EBITDA margin change	(300) bp	(160) bp	(200) bp			(300) bp

	Industrial Gases— Americas	Industrial Gases— EMEA	Industrial Gases— Asia	Industrial Gases— Global	Corporate and other	Segment Total
GAAP MEASURE						
Six Months Ended 31 March 2017						
Operating income (loss)	\$ 448.3	\$ 174.5	\$ 230.1	\$ 31.0	\$ (70.0)	\$ 813.9
Operating margin	25.6%	21.4 %	26.3%			21.1%
Six Months Ended 31 March 2016						
Operating income (loss)	\$ 435.1	\$ 182.3	\$ 222.3	\$ (30.1)	\$ (33.4)	\$ 776.2
Operating margin	26.6%	21.2 %	27.0%			21.3%
Operating income (loss) change	\$ 13.2	\$ (7.8)	\$ 7.8	\$ 61.1	\$ (36.6)	\$ 37.7
Operating income (loss) % change	3%	(4)%	4%	203%	(110)%	5%
Operating margin change	(100) bp	20 bp	(70) bp			(20) bp
NON-GAAP MEASURE						
Six Months Ended 31 March 2017						
Operating income (loss)	\$ 448.3	\$ 174.5	\$ 230.1	\$ 31.0	\$ (70.0)	\$ 813.9
Add: Depreciation and amortization	227.8	83.8	96.0	3.7	6.6	417.9
Add: Equity affiliates' income	27.7	17.8	26.4	.3	—	72.2
Adjusted EBITDA	\$ 703.8	\$ 276.1	\$ 352.5	\$ 35.0	\$ (63.4)	\$ 1,304.0
Adjusted EBITDA margin	40.1%	33.9 %	40.3%			33.8%
Six Months Ended 31 March 2016						
Operating income (loss)	\$ 435.1	\$ 182.3	\$ 222.3	\$ (30.1)	\$ (33.4)	\$ 776.2
Add: Depreciation and amortization	218.8	95.0	100.7	3.9	10.2	428.6
Add: Equity affiliates' income (loss)	22.2	14.8	29.1	(.5)	—	65.6
Adjusted EBITDA	\$ 676.1	\$ 292.1	\$ 352.1	\$ (26.7)	\$ (23.2)	\$ 1,270.4
Adjusted EBITDA margin	41.4%	33.9 %	42.8%			34.9%
Adjusted EBITDA change	\$ 27.7	\$ (16.0)	\$.4	\$ 61.7	\$ (40.2)	\$ 33.6
Adjusted EBITDA % change	4%	(5)%	—%	231%	(173)%	3%
Adjusted EBITDA margin change	(130) bp	—	(250) bp			(110) bp

Below is a reconciliation of segment total operating income to consolidated operating income:

Operating Income	Three Months Ended 31 March		Six Months Ended 31 March	
	2017	2016	2017	2016
Segment total	\$ 405.6	\$ 391.7	\$ 813.9	\$ 776.2
Business separation costs	—	(7.4)	(30.2)	(19.4)
Cost reduction and asset actions	(10.3)	(10.7)	(60.3)	(10.7)
Pension settlement loss	(4.1)	(2.0)	(4.1)	(2.0)
Consolidated Total	\$ 391.2	\$ 371.6	\$ 719.3	\$ 744.1

INCOME TAXES

The tax impact of our non-GAAP adjustments reflects the expected current and deferred income tax expense impact of the transactions and is impacted primarily by the statutory tax rate of the various relevant jurisdictions and the taxability of the adjustments in those jurisdictions.

	Effective Tax Rate			
	Three Months Ended 31 March		Six Months Ended 31 March	
	2017	2016	2017	2016
Income Tax Provision—GAAP	\$ 94.5	\$ 93.5	\$ 172.9	\$ 189.9
Income From Continuing Operations Before Taxes—GAAP	\$ 404.6	\$ 378.2	\$ 741.2	\$ 761.8
Effective Tax Rate—GAAP	23.4%	24.7%	23.3%	24.9%
Income Tax Provision—GAAP	\$ 94.5	\$ 93.5	\$ 172.9	\$ 189.9
Business separation costs	—	(1.5)	3.7	(1.5)
Tax costs associated with business separation	—	—	(2.7)	—
Cost reduction and asset actions	3.1	1.9	11.9	1.9
Pension settlement loss	1.5	.7	1.5	.7
Income Tax Provision—Non-GAAP Measure	\$ 99.1	\$ 94.6	\$ 187.3	\$ 191.0
Income From Continuing Operations Before Taxes—GAAP	\$ 404.6	\$ 378.2	\$ 741.2	\$ 761.8
Business separation costs	—	7.4	30.2	19.4
Cost reduction and asset actions	10.3	10.7	60.3	10.7
Pension settlement loss	4.1	2.0	4.1	2.0
Income From Continuing Operations Before Taxes—Non-GAAP Measure	\$ 419.0	\$ 398.3	\$ 835.8	\$ 793.9
Effective Tax Rate—Non-GAAP Measure	23.7%	23.8%	22.4%	24.1%

PENSION BENEFITS

For the six months ended 31 March 2017 and 2016, we recognized net periodic benefit cost of \$36.2 and \$28.4, respectively, in continuing operations. The increase in pension expense in fiscal year 2017 is primarily related to recognition of settlement, curtailment and special termination benefits. The amount of net periodic benefit cost capitalized in fiscal year 2017 and 2016 was not material.

Certain of our pension plans provide for a lump sum benefit payment option at the time of retirement, or for corporate officers, six months after their retirement date. A participant's vested benefit is considered settled upon cash payment of the lump sum. We recognize pension settlement losses when cash payments exceed the sum of the service and interest cost components of net periodic benefit cost of the plan for the fiscal year. For the three and six months ended 31 March 2017 and 2016, we recognized \$4.1 and \$2.0 of settlement losses, respectively, to accelerate recognition of a portion of actuarial losses deferred in accumulated other comprehensive loss associated with the U.S. Supplementary Pension Plan. We expect that additional settlement losses will be recognized during the second half of fiscal year 2017.

In connection with the disposition of the two divisions comprising the former Materials Technologies segment, we incurred settlement, curtailment, and special termination benefits totaling \$3.5 and \$6.0 for the three and six months ended 31 March 2017, respectively. Costs recorded during the second quarter were recorded in the results of discontinued operations. Otherwise, the costs were reflected on the consolidated income statements as "Business separation costs".

Upon completion of the separation of EMD on 1 October 2016, the Company transferred defined benefit pension assets and obligations to the Versum plans resulting in a net decrease in the underfunded status of the sponsored pension plans of \$24. As a result of the transfer of unrecognized losses to Versum, accumulated other comprehensive loss, net of tax, decreased by approximately \$5. In addition, upon completion of the sale of PMD to Evonik Industries AG on 3 January 2017, the Company transferred defined benefit pension obligations to Evonik resulting in a net decrease in the underfunded status of the Company's sponsored pension plans of approximately \$7.

Management considers various factors when making pension funding decisions, including tax, cash flow, and regulatory implications. For the six months ended 31 March 2017 and 2016, our cash contributions to funded pension plans and benefit

payments under unfunded pension plans were \$40.8 and \$60.2, respectively. Total contributions for fiscal 2017 are expected to be approximately \$65 to \$85. During fiscal 2016, total contributions were \$79.3.

Refer to Note 10, Retirement Benefits, to the consolidated financial statements for details on pension cost and cash contributions.

LIQUIDITY AND CAPITAL RESOURCES

We have consistent access to commercial paper markets, and our cash balance and cash flows from operations and financing activities are expected to meet liquidity needs for the foreseeable future.

As of 31 March 2017, we had \$524.6 of foreign cash and cash items compared to total cash and cash items of \$1,869.3. If we needed foreign cash for operations in the U.S. or we otherwise elect to repatriate the funds, we may be required to accrue and pay U.S. taxes on those amounts. However, since we have significant current investment plans outside the U.S., it is our intent to permanently reinvest the majority of our foreign cash and cash items outside the U.S. Current financing alternatives do not require the additional repatriation of foreign funds.

Operating Activities

For the first six months of 2017, cash provided by operating activities was \$861.2. Income from continuing operations of \$556.0 included the non-cash write-down of an air separation unit in the Industrial Gases – EMEA segment that was constructed mainly to provide oxygen to one of the Energy-from-Waste plants. Other adjustments included depreciation and amortization, deferred income taxes, share-based compensation, noncurrent capital lease receivables, and undistributed earnings of unconsolidated affiliates. The working capital accounts were a use of cash of \$149.7 which was primarily driven by payables and accrued liabilities, trade receivables, and other working capital partially offset by other receivables. The decrease in payables and accrued liabilities of \$178.6 was primarily driven by a decrease in customer advances of \$85.1 related to our joint venture in Jazan, Saudi Arabia, and a \$75.8 decrease in accrued incentive compensation due to payments on the 2016 plan. The decrease in trade receivables of \$53.8 includes amounts billed to our joint venture in Jazan, Saudi Arabia. Other working capital was a use of \$51.4 primarily driven by payments for accrued income taxes. The decrease in other receivables, which resulted in a source of \$118.4, was primarily due to the maturity of forward foreign exchange contracts that hedged intercompany loans.

For the first six months of 2016, cash provided by operating activities was \$890.0, which includes income from continuing operations of \$559.8. Other adjustments were a source of cash of \$37.8, which was primarily driven by the remeasurement of intercompany transactions as the related hedging instruments that eliminate the earnings impact are included in other receivables and payables and accrued liabilities. The change in payables and accrued liabilities of \$191.5 was primarily driven by a decrease in the accrual for incentive compensation due to payments on the 2015 plan.

We estimate that cash paid for taxes, net of refunds, on a continuing operations basis, were \$275.0 and \$150.1 for the six months ended 31 March 2017 and 2016, respectively.

Investing Activities

For the first six months of 2017, cash used for investing activities was \$1,952.4. Purchases of investments of \$1,823.2 include time deposits, certificates of deposit, and repurchase agreement funds with original maturities greater than 90 days and less than one year. Proceeds from investments of \$400.0 resulted from an early call on an instrument which had an original term greater than 90 days but less than one year. These proceeds were reinvested in a new short-term investment, which is included in the purchase of investments. Capital expenditures for plant and equipment were \$532.2.

For the first six months of 2016, cash used for investing activities was \$436.4, primarily driven by capital expenditures for plant and equipment of \$472.0. Proceeds from the sale of assets and investments of \$38.1 were primarily driven by the receipt of \$30.0 for our rights to a corporate aircraft that was under construction.

Capital expenditures are detailed in the table below:

	Six Months Ended	
	2017	2016
Additions to plant and equipment	\$532.2	\$472.0
Investment in and advances to unconsolidated affiliates	8.9	1.5
Capital expenditures on a GAAP basis	\$541.1	\$473.5
Capital lease expenditures ^(A)	5.8	18.6
Capital expenditures on a Non-GAAP basis	\$546.9	\$492.1

^(A) We utilize a non-GAAP measure in the computation of capital expenditures and include spending associated with facilities accounted for as capital leases. Certain contracts associated with facilities that are built to provide product to a specific customer are required to be accounted for as leases, and such spending is reflected as a use of cash within cash provided by operating activities if the arrangement qualifies as a capital lease. The presentation of this non-GAAP measure is intended to enhance the usefulness of information by providing a measure that our management uses internally to evaluate and manage our expenditures.

We expect capital expenditures of approximately \$1,000 in fiscal year 2017.

On 19 April 2015, a joint venture between Air Products and ACWA Holding entered into a 20-year oxygen and nitrogen supply agreement to supply Saudi Aramco's oil refinery and power plant being built in Jazan, Saudi Arabia. Air Products owns 25% of the joint venture and expects to invest approximately \$100. Air Products has also entered into a sale of equipment contract with the joint venture to engineer, procure, and construct the industrial gas facilities that will supply the gases to Saudi Aramco.

Sales backlog represents our estimate of revenue to be recognized in the future on sale of equipment orders and related process technologies that are under firm contracts. The sales backlog for the Company at 31 March 2017 was \$717, compared to \$1,057 at 30 September 2016.

Financing Activities

For the first six months of 2017, cash used for financing activities was \$1,661.8. This consisted primarily of repayments of commercial paper and short-term borrowings of \$816.6, payments on long-term debt of \$469.7, and dividend payments of \$374.0. Payments on long-term debt primarily consisted of the repayment of a 4.625% Eurobond of €300 million (\$317.2) that matured on 15 March 2017 and \$138.0 for the repayment of industrial revenue bonds.

For the first six months of 2016, cash used for financing activities was \$401.8 and included dividend payments of \$349.1 and \$65.6 of payments on long-term debt.

Discontinued Operations

For the first six months of 2017, cash flows of discontinued operations primarily include impacts associated with the spin-off of EMD as Versum on 1 October 2016 and the sale of PMD on 3 January 2017. Cash used for operating activities of \$520.8 was primarily driven by taxes paid on the gain on sale of PMD. Cash provided by investing activities of \$3,750.6 primarily resulted from the proceeds on the sale of PMD. Cash provided by financing activities resulted from a \$69.5 receipt of cash from Versum related to finalization of the spin-off. Refer to Note 3, Discontinued Operations, to the consolidated financial statements for additional information.

For the first six months of 2016, cash provided by discontinued operations of \$48.0 was primarily driven by the results of EMD, PMD, and the Energy-from-Waste business.

Financing and Capital Structure

Capital needs were satisfied primarily with cash from operations. Total debt at 31 March 2017 and 30 September 2016, expressed as a percentage of the sum of total debt and total capitalization (total debt plus total equity), was 29.0% and 41.9%, respectively. Total debt decreased from \$5,210.9 at 30 September 2016 to \$3,843.2 at 31 March 2017 as a result of the repayment of commercial paper, the 4.625% Eurobond, and the industrial revenue bonds.

On 31 March 2017, we entered into a five-year \$2,500.0 revolving credit agreement with a syndicate of banks (the "2017 Credit Agreement"), under which senior unsecured debt is available to the Company and certain of its subsidiaries. The 2017 Credit Agreement provides a source of liquidity for the Company and supports its commercial paper program. The Company's only financial covenant is a maximum ratio of total debt to total capitalization (total debt plus total equity) no greater than 70%. No borrowings were outstanding under the 2017 Credit Agreement as of 31 March 2017.

The 2017 Credit Agreement terminates and replaces our previous \$2,690.0 revolving credit agreement (the “2013 Credit Agreement”), which was to mature 30 April 2018. No borrowings were outstanding under the previous agreement at the time of its termination, and no early termination penalties were incurred.

Commitments totaling \$35.8 are maintained by our foreign subsidiaries, all of which was borrowed and outstanding at 31 March 2017.

As of 31 March 2017, we are in compliance with all of the financial and other covenants under our debt agreements.

On 15 September 2011, the Board of Directors authorized the repurchase of up to \$1,000 of our outstanding common stock. During the first six months of fiscal year 2017, we did not purchase any of our outstanding shares. At 31 March 2017, \$485.3 in share repurchase authorization remained.

CONTRACTUAL OBLIGATIONS

We are obligated to make future payments under various contracts, such as debt agreements, lease agreements, unconditional purchase obligations, and other long-term obligations. There have been no material changes to contractual obligations since 30 September 2016.

COMMITMENTS AND CONTINGENCIES

There have been no material changes to commitments and contingencies since 30 September 2016. For current updates on Litigation and Environmental matters, refer to Note 11, Commitments and Contingencies, in this quarterly filing.

OFF-BALANCE SHEET ARRANGEMENTS

There have been no material changes to off-balance sheet arrangements since 30 September 2016. We are not a primary beneficiary in any material variable interest entity. Our off-balance sheet arrangements are not reasonably likely to have a material impact on financial condition, changes in financial condition, results of operations, or liquidity.

RELATED PARTY TRANSACTIONS

Our principal related parties are equity affiliates operating in the industrial gas business. In 2015, we entered into a long-term sale of equipment contract to engineer, procure, and construct industrial gas facilities with a 25% owned joint venture for Saudi Aramco’s Jazan oil refinery and power plant in Saudi Arabia. The agreement included terms that are consistent with those that we believe would have been negotiated at an arm’s length with an independent party. Sales related to this contract are included in the results of our Industrial Gases – Global segment. During the three and six months ended 31 March 2017, sales were approximately \$170 and \$280, respectively, related to this contract. During the three and six months ended 31 March 2016, sales were approximately \$30 and \$90, respectively.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Management’s Discussion and Analysis of our financial condition and results of operations is based on the consolidated financial statements and accompanying notes that have been prepared in accordance with GAAP. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

During the six months ended 31 March 2017, we assessed the recoverability of the carrying value of the assets associated with the Energy-from-Waste discontinued operation, including an air separation unit within continuing operations of our Industrial Gases – EMEA segment, and recorded losses to reduce the carrying value of the assets as of 31 December 2016 to their estimated net realizable value. There have been no changes to our estimates as of 31 March 2017. Refer to Note 9, Fair Value Measurements, for additional information.

Revenue from equipment sale contracts is recorded primarily using the percentage-of-completion method. During the second quarter of 2017, changes in estimates on projects accounted for under this method favorably impacted operating income by approximately \$12. We assess the performance of our sale of equipment projects as they progress. Our earnings could be positively or negatively impacted by changes to our forecast of revenues and costs on these projects in the future.

Information concerning the implementation and impact of new accounting standards issued by the Financial Accounting Standards Board (FASB) is included in Note 2, New Accounting Guidance, to the consolidated financial statements.

Otherwise, there have been no changes in accounting policy or accounting estimate in the current period that had a significant impact on our financial condition, change in financial condition, liquidity, or results of operations.

NEW ACCOUNTING GUIDANCE

See Note 2, New Accounting Guidance, to the consolidated financial statements for information concerning the implementation and impact of new accounting guidance.

FORWARD-LOOKING STATEMENTS

This Management's Discussion and Analysis contains "forward-looking statements" within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including statements about business outlook. These forward-looking statements are based on management's reasonable expectations and assumptions as of the date of this report. Actual performance and financial results may differ materially from projections and estimates expressed in the forward-looking statements because of many factors not anticipated by management, including, without limitation, global or regional economic conditions (including, as to the United Kingdom and Europe, the impact of "Brexit") and supply and demand dynamics in market segments into which the Company sells; political risks, including the risks of unanticipated government actions; acts of war or terrorism; customer decisions on awarding projects under development and our success in negotiating the terms of such projects; the inability to eliminate stranded costs previously allocated to the Company's Electronic Materials and Performance Materials divisions which have been divested and other unexpected impacts of the divestitures; significant fluctuations in interest rates and foreign currencies from that currently anticipated; future financial and operating performance of major customers; unanticipated contract terminations or customer cancellations or postponement of projects and sales; our ability to execute the projects in our backlog; asset impairments due to economic conditions or specific events; the impact of price fluctuations in natural gas and disruptions in markets and the economy due to oil price volatility; costs and outcomes of litigation or regulatory investigations; the success of productivity and operational improvement programs; the timing, impact, and other uncertainties of future acquisitions or divestitures, including reputational impacts; the impact of changes in environmental, tax or other legislation and regulatory activities in jurisdictions in which the Company and its affiliates operate; and other risk factors described in the Company's Form 10-K for its fiscal year ended 30 September 2016. The Company disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in this report to reflect any change in the Company's assumptions, beliefs or expectations or any change in events, conditions, or circumstances upon which any such forward-looking statements are based.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Information on our utilization of financial instruments and an analysis of the sensitivity of these instruments to selected changes in market rates and prices is included in our 2016 Form 10-K. The disclosures about market risk that follow are on a continuing operations basis.

The net financial instrument position decreased from a liability of \$4,172.1 at 30 September 2016 to a liability of \$3,612.2 at 31 March 2017. The decrease was due primarily to the repayment of long-term debt.

Interest Rate Risk

Our debt portfolio as of 30 September 2016, including the effect of currency and interest rate swap agreements, was composed of 55% fixed-rate debt and 45% variable-rate debt. Our debt portfolio as of 31 March 2017, including the effect of currency and interest rate swap agreements, was composed of 64% fixed-rate debt and 36% variable-rate debt. The change in debt portfolio composition was due primarily to the repayment of commercial paper.

The sensitivity analysis related to the interest rate risk on the fixed portion of our debt portfolio assumes an instantaneous 100 bp move in interest rates from the level at period end, with all other variables held constant. A 100 bp increase in market interest rates would result in a decrease of \$116 and \$137 in the net liability position of financial instruments at 31 March 2017 and 30 September 2016, respectively. A 100 bp decrease in market interest rates would result in an increase of \$124 and \$148 in the net liability position of financial instruments at 31 March 2017 and 30 September 2016, respectively.

Based on the variable-rate debt included in our debt portfolio, including the interest rate swap agreements, a 100 bp increase in interest rates would result in an additional \$14 and \$24 of interest incurred per year at the end of 31 March 2017 and 30 September 2016, respectively. A 100 bp decline in interest rates would lower interest incurred by \$14 and \$24 per year at 31 March 2017 and 30 September 2016, respectively.

Foreign Currency Exchange Rate Risk

The sensitivity analysis related to foreign currency exchange rates assumes an instantaneous 10% change in the foreign currency exchange rates from their levels at period end, with all other variables held constant. A 10% strengthening or weakening of the functional currency of an entity versus all other currencies would result in a decrease or increase, respectively, of \$292 and \$422 in the net liability position of financial instruments at 31 March 2017 and 30 September 2016, respectively. The change in exchange rate sensitivity from 30 September 2016 to 31 March 2017 was due primarily to a reduction in our portfolio of forward exchange contracts. Refer to Note 8, Financial Instruments, for additional information about our outstanding forward exchange contracts.

Item 4. Controls and Procedures

We maintain a comprehensive set of disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). As of 31 March 2017 (the Evaluation Date), an evaluation of the effectiveness of our disclosure controls and procedures was carried out under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, these disclosure controls and procedures were effective.

On 1 October 2016, Air Products completed the spin-off of Versum into a separate and independent public company. On 3 January 2017, we completed the sale of PMD to Evonik Industries AG. In connection with these transactions, staffing changes, including the consolidation of certain positions and transition of responsibilities, resulted in changes in certain individuals responsible for executing internal controls.

During the quarter ended on the Evaluation Date, other than the above, no other change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION**Item 5. Other Information**

Not applicable.

Item 6. Exhibits.

Exhibits required by Item 601 of Regulation S-K

10.1	Revolving Credit Agreement dated as of March 31, 2017 for \$2,500,000,000
12.	Computation of Ratios of Earnings to Fixed Charges.
31.1	Certification by the Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification by the Principal Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.	Certification by the Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. †
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase

† The certification attached as Exhibit 32 that accompanies this Quarterly Report on Form 10-Q, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Air Products and Chemicals, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Form 10-Q, irrespective of any general incorporation language contained in such filing.

SIGNATURES

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

Air Products and Chemicals, Inc.

(Registrant)

Date: April 27, 2017

By:

/s/ M. Scott Crocco

M. Scott Crocco
Executive Vice President and Chief Financial Officer

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Deal CUSIP Number: 009160AL6

Revolving Facility CUSIP Number: 009160AM4

\$2,500,000,000

REVOLVING CREDIT AGREEMENT

by and among

AIR PRODUCTS AND CHEMICALS, INC.,

The Other Borrowers parties hereto from time to time,

The Lenders parties hereto from time to time,

and

WELLS FARGO BANK, N.A.,

as Administrative Agent

Dated as of

March 31, 2017

**WELLS FARGO SECURITIES, LLC,
BNP PARIBAS SECURITIES CORP.,
DEUTSCHE BANK SECURITIES INC.,
HSBC SECURITIES (USA) INC.,**

and

MIZUHO BANK, LTD.

as Joint Lead Arrangers and Book Runners

**BNP PARIBAS,
DEUTSCHE BANK SECURITIES, INC.,
HSBC BANK USA, N.A.**

and

**MIZUHO BANK, LTD.,
as Co-Syndication Agents**

and

**BANK OF AMERICA, N.A.,
THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., NEW YORK BRANCH,
BARCLAYS BANK PLC,
CITIBANK, N.A.,
JPMORGAN CHASE BANK, N.A.**

and

**SUMITOMO MITSUI BANKING CORPORATION,
as Co-Documentation Agents**

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Exhibit H Form of Amendment for an Increased or New Commitment

Exhibit I Form of Standard Notice

REVOLVING CREDIT AGREEMENT, dated as of March 31, 2017, by and among AIR PRODUCTS AND CHEMICALS, INC., a Delaware corporation (the “Parent”), the other borrowers parties hereto from time to time (the “Other Borrowers”, as defined further below), the lenders parties hereto from time to time (the “Lenders”, as defined further below) and WELLS FARGO BANK, N.A., as Administrative Agent for the Lenders hereunder.

R E C I T A L S:

A. The Parent has requested the Lenders to make financial accommodations to it and certain of its Subsidiaries in the aggregate Dollar Equivalent Amount of \$2,500,000,000, the proceeds of which will be used for the general corporate purposes of the Parent and its Subsidiaries.

B. The Lenders are willing to extend such financial accommodations on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Article I

DEFINITIONS; CONSTRUCTION

Section 1.01 Certain Definitions. In addition to other words and terms defined elsewhere in this Agreement, as used herein the following words and terms shall have the following meanings, respectively, unless the context hereof otherwise clearly requires:

“Absolute Rate” shall have the meaning set forth in Section 3.02(c)(ii)(D) hereof.

“Absolute Rate Auction” shall mean a solicitation of Competitive Bid Loan Quotes setting forth Absolute Rates pursuant to Article III hereof.

“Absolute Rate Loan” or “Absolute Rate Loans” shall mean any or all Competitive Bid Loans the interest rates of which are determined on the basis of Absolute Rates pursuant to an Absolute Rate Auction.

“Administrative Agent” shall mean Wells Fargo in its capacity as Administrative Agent and any successor Administrative Agent hereunder appointed in accordance with Section 11.10.

“Administrative Agent’s Office” or “Office” shall mean as set forth in Schedule III.

“Affected Lender” shall have the meaning set forth in Section 2.06(d)(ii) hereof.

“Affiliate” of a specified Person shall mean any Person which directly or indirectly controls, or is controlled by, or is under common control with, such specified Person. For purposes of the preceding sentence, “control” of a Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

“Agent Parties” shall have the meaning set forth in Section 12.19 hereof.

“Agents” shall mean the Administrative Agent and the Co-Syndication Agents.

“Agreement” shall mean this credit agreement, as it may be amended or modified and in effect from time to time.

“Anti-Corruption Laws” shall mean all laws, rules and regulations of any jurisdiction applicable to the Parent or any of its Subsidiaries from time to time prohibiting bribery or corruption.

“Applicable Margin” shall mean (a) for Base Rate Loans, the amount designated as the “Applicable Margin for Base Rate Loans” on the Applicable Pricing Grid set forth on Schedule I hereto and (b) for Euro-Rate Loans, CDOR Loans and Swingline Loans, the amount designated as the “Applicable Margin for Euro-Rate Loans, CDOR Loans and Swingline Loans” on the Applicable Pricing Grid set forth on Schedule I hereto.

“Arranger Fee Letter” shall mean the Arranger Fee Letter dated March 8, 2017 among the Parent, BNP Paribas, BNP Paribas Securities Corp., Deutsche Bank AG New York Branch, Deutsche Bank Securities Inc., HSBC Bank USA, N.A., HSBC Securities (USA) Inc. and Mizuho Bank, Ltd.

“Approved Fund” shall mean any Fund that is administered or managed by (i) a Lender, (ii) an Affiliate of a Lender or (iii) an entity or an Affiliate of an entity that administers or manages a Lender; provided, however, that no Fund shall be an “Approved Fund” with respect to any proposed assignment hereunder unless at the time of such assignment either (a) its senior unsecured long-term debt securities without third-party credit enhancement are rated at least BBB by S&P or Baa2 by Moody’s or (b) its senior unsecured short-term debt securities without third-party credit enhancement are rated at least A-2 by S&P or P-2 by Moody’s.

“Assignee Lender” shall have the meaning set forth in Section 12.14(c) hereof.

“Assignment Agreement” shall have the meaning set forth in Section 12.14(c) hereof.

“Assignor Lender” shall have the meaning set forth in Section 12.14(c) hereof.

“Bail-In Action” shall mean the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

“Bail-In Legislation” shall mean, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“Bankruptcy Event” shall mean, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment; provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof; provided, further, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements (such as this Agreement) made by such Person.

“Base Rate” shall mean for any day the greatest of (a) the Prime Rate in effect on such day, (b) 0.50% plus the Federal Funds Effective Rate in effect on such day and (c) the Euro-Rate for a one month Funding Period commencing on such day plus 1.0% per annum; provided that, for the avoidance of doubt, the Euro-Rate used in determining the Base Rate for any day shall be as of 11:00 a.m. (London time) on such day (or if such day is not a Business Day, the immediately preceding Business Day). If for any reason the Administrative Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable after due inquiry to ascertain the Federal Funds Effective Rate or the Euro-Rate for any reason, including the inability of the Administrative Agent to obtain sufficient quotations in accordance with the terms hereof, the Base Rate shall be determined without regard to clause (b) or (c), as the case may be, of the first sentence of this definition until the circumstances giving rise to such inability no longer exist. Any change in the Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the Euro-Rate shall be effective on the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the Euro-Rate, respectively. Notwithstanding the foregoing, in no event shall the Base Rate be less than zero.

“Base Rate Loan” shall mean any Loan, which bears interest at a rate based on the Base Rate Option.

“Base Rate Option” shall have the meaning set forth in Section 2.06(a)(i) hereof.

“Base Rate Portion” of any Loan or Loans shall mean at any time the portion, including the whole, of such Loan or Loans bearing interest at such time (a) under the Base Rate Option or (b) in accordance with Section 4.05(b)(ii)(A) hereof. If no Loan or Loans is specified, “Base Rate Portion” shall refer to the Base Rate Portion of all Loans outstanding at such time.

“Borrower Accession Instrument” shall mean a Borrower Accession Instrument substantially in the form of Exhibit F hereto or such other form that may be approved by the Administrative Agent.

“Borrowers” shall mean the Parent and the Other Borrowers and “Borrower” shall mean one of them.

“Borrowing” shall mean, on any day, the making of (a) a Loan or Loans which are either all Base Rate Loans or all of the same Funding Period or Interest Period, as applicable, or (b) a Swingline Loan.

“Business Day” shall mean a day of the year on which banks are not required or authorized to close in Charlotte, North Carolina or New York, New York; provided, that in the case of matters relating to the Euro-Rate Portion of Revolving Credit Loans, to LIBOR-based Loans, to Absolute Rate Loans denominated in a currency other than Dollars or to Swingline Loans, in each case, “Business Day” shall also include days on which dealings are carried on in the London interbank market (or, with respect to any Revolving Credit Loans which are denominated in Euro, a day upon which such clearing system as is determined by the Administrative Agent to be suitable for clearing or settlement of the Euro is open for business) and banks are open for business in London and in the country of issue of the relevant currency; provided, further, when used with respect to the CDOR Option or a CDOR Loan, Business Day shall also exclude any day of the year on which banks are required or authorized to close in Toronto, Canada.

“Capital Lease Obligations” of any Person shall mean the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP; provided that all obligations of any Person that are or would have been treated as operating leases (including for avoidance of doubt, any network lease or any operating indefeasible right of use) for purposes of GAAP immediately prior to the issuance by the Financial Accounting Standards Board

on February 25, 2016 of an Accounting Standards Update (the “ASU”) shall continue to be accounted for as operating leases for purposes of all financial definitions and calculations for purpose of this Agreement and the other Loan Documents (whether or not such operating lease obligations were in effect on such date) notwithstanding the fact that such obligations are required in accordance with the ASU (on a prospective or retroactive basis or otherwise) to be treated as Capital Lease Obligations in the financial statements to be delivered pursuant to Section 5.01.

“Change of Control” shall mean the occurrence of either of the following:

(a) a “person” (as such term is used in Sections 13(d) and 14(d)(2) of the Securities and Exchange Act of 1934, as in effect on the date hereof) or group of persons (as so used), other than (i) any holding company as to which the Parent is or becomes a wholly-owned Subsidiary so long as the beneficial ownership (as determined pursuant to Rule 13d-3 under the Securities and Exchange Act of 1934) of such holding company and, indirectly, the Parent, is, immediately after the Parent shall become such a wholly-owned Subsidiary of such Person, substantially identical to that of the Parent immediately prior to the Parent becoming such a wholly-owned Subsidiary of such Person (any such Person, a “Parent Holding Company”) or (ii) a trustee of an employee benefit plan sponsored solely by the Parent and/or a Parent Holding Company, is or becomes the “beneficial owner” (as determined pursuant to Rule 13d-3 under the Securities and Exchange Act of 1934), directly or indirectly, of equity interests of the Parent representing more than 45% of the aggregate ordinary voting power of the Parent’s then-outstanding voting equity interests; or

(b) during any period of two consecutive years, the occupation of a majority of the seats (other than vacant seats) on the board of directors of the Parent by directors who were not (i) directors of the Parent at the beginning of such period, (ii) appointed by directors who were directors at the beginning of such period or by directors so appointed or (iii) nominated or approved for election to the board of directors of the Parent by directors described in the preceding clause (i) or (ii).

“CDOR” shall mean, for the relevant CDOR Funding Period, the Canadian deposit offered rate which, in turn means on any day, the sum of (x) the annual rate of interest determined with reference to the arithmetic average of the discount rate quotations of all institutions listed in respect of the relevant CDOR Funding Period for Canadian Dollar-denominated bankers’ acceptances displayed and identified as such on the “Reuters Screen CDOR Page” as defined in the International Swap Dealer Association, Inc. definitions, as modified and amended from time to time, as of 10:00 a.m. Toronto local time on such day and, if such day is not a Business Day, then on the immediately preceding Business Day (as adjusted by the Administrative Agent after 10:00 a.m. Toronto local time to reflect any error in the posted rate of interest or in the posted average annual rate of interest) plus (y) 0.10% per annum; provided that if such rates are not available on

the Reuters Screen CDOR Page on any particular day, then the Canadian deposit offered rate component of such rate on that day shall be calculated as the cost of funds quoted by the Administrative Agent to raise Canadian Dollars for the applicable CDOR Funding Period as of 10:00 a.m. Toronto local time on such day for commercial loans or other extensions of credit to businesses of comparable credit risk; or if such day is not a Business Day, then as quoted by the Administrative Agent on the immediately preceding Business Day. Notwithstanding the foregoing, in no event shall the CDOR be less than zero.

“CDOR Funding Period” shall have the meaning set forth in Section 2.06(b) hereof.

“CDOR Loan” shall mean any Loan, which bears interest at a rate based on the CDOR Option.

“CDOR Option” shall have the meaning set forth in Section 2.06(a)(iii) hereof.

“CDOR Portion” of any Loan or Loans shall mean at any time the portion, including the whole, of such Loan or Loans bearing interest under the CDOR Option or at a rate calculated by reference to the CDOR under Section 4.05(b)(i) hereof. If no Loan or Loans is specified, “CDOR Portion” shall refer to the CDOR Portion of all Loans outstanding at such time.

“Closing Date” shall mean the date on which the last of the conditions set forth in Section 6.01 hereof has been satisfied.

“Code” shall mean the Internal Revenue Code of 1986, as amended, or any successor thereto.

“Commitment” of a Lender shall mean the Revolving Credit Commitment and the Swingline Commitment of such Lender.

“Commitment Fee” shall have the meaning set forth in Section 2.05(a) hereof.

“Commitment Percentage” shall mean, with respect to any Lender, the percentage of the Total Revolving Credit Commitment represented by such Lender’s Revolving Credit Committed Amount; provided that for purposes of Section 4.12 when a Defaulting Lender shall exist, “Commitment Percentage” shall mean the percentage of the Total Revolving Credit Commitment (disregarding any Defaulting Lender’s Revolving Credit Commitment) represented by such Lender’s Revolving Credit Committed Amount. If the Revolving Credit Commitments have terminated or expired, the Commitment Percentage of any Lender shall be the percentage of the Total Revolving Credit Exposure (disregarding any Defaulting Lender’s Revolving Credit Exposure, for purposes of Section 4.12) represented by such Lender’s Revolving Credit Exposure.

“Commitment Termination Date” shall mean the earlier of (a) the Revolving Credit Maturity Date and (b) the date of termination in whole of the Revolving Credit Commitments pursuant to Section 2.05(c) or Section 9.02.

“Communications” shall have the meaning set forth in Section 12.19 hereof.

“Competitive Bid Borrowing” shall have the meaning set forth in Section 3.02(a) hereof.

“Competitive Bid Expiration Date” shall mean March 31, 2022, or such later date as may be established as the Competitive Bid Expiration Date pursuant to Section 4.01 hereof.

“Competitive Bid Loan” or “Competitive Bid Loans” shall mean any or all loans provided for by Article III hereof.

“Competitive Bid Loan Maturity Date” shall have the meaning set forth in 3.03 hereof.

“Competitive Bid Loan Quote” shall mean an offer in accordance with 3.02(c) hereof by a Lender to make a Competitive Bid Loan.

“Competitive Bid Loan Quote Request” shall have the meaning set forth in Section 3.02(a) hereof.

“Competitive Bid Notes” shall mean the promissory notes of each Borrower executed and delivered pursuant to Section 2.02 and any promissory note issued in substitution therefor pursuant to Sections 4.10(b) or 12.14(c) hereof, together with all extensions, renewals, refinancings or refundings thereof in whole or part.

“Competitive Bid Register” shall have the meaning set forth in Section 3.06 hereof.

“Consolidated Book Net Worth” shall mean at any date the sum of (a) the Parent’s total equity (including total Parent’s shareholders’ equity and noncontrolling interests) as reported on the Parent’s most recently published consolidated balance sheet, plus (b) redeemable noncontrolling interest identified as Commitments and Contingencies on the Parent’s most recently published consolidated balance sheet.

“Consolidated Total Debt” shall mean, at any date, the aggregate principal amount of all Indebtedness that would be reflected at such date as short-term borrowings, current portion of long-term debt or long-term debt on a consolidated balance sheet of the Parent and its Subsidiaries prepared in accordance with GAAP, excluding Limited Recourse Debt of any Project Finance Subsidiary.

“Contractual Currency” shall have the meaning set forth in Section 12.15(a) hereof.

“Co-Syndication Agents” shall mean BNP Paribas, Deutsche Bank Securities Inc., HSBC Bank USA, N.A. and Mizuho Bank, Ltd. each in its capacity as syndication agent for the credit facility provided for in this Agreement.

“Credit Event” shall mean and include each of the making of a Loan, the issuance of a Letter of Credit and the Modification of a Letter of Credit.

“Defaulting Lender” shall mean any Lender that has (a) failed, within three Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans or (ii) fund any portion of its participations in Letters of Credit, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender’s reasonable determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) notified the Parent, the Administrative Agent or any Lender in writing that it does not intend to comply with any of its funding obligations under this Agreement or has made a public statement to the effect that it does not intend to comply with its funding obligations under this Agreement or generally under other agreements in which it commits to extend credit, (c) failed, within three Business Days after request by the Administrative Agent (which request has been made based on the Administrative Agent’s reasonable belief that such Lender may not fulfill its funding obligation and a copy of which request has been sent to the Parent), to confirm that it will comply with the terms of this Agreement relating to its obligations to fund prospective Loans and participations in then outstanding Letters of Credit; provided that any such Lender shall cease to be a Defaulting Lender under this clause (c) upon receipt of such confirmation by the Administrative Agent, (d) otherwise failed to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within three Business Days of the date when due, unless the subject of a good faith dispute, (e) (i) been adjudicated as, or has been determined by any Governmental Authority having regulatory authority over such Person or its assets to be, insolvent or has a parent company that has been adjudicated as, or has been determined by any Governmental Authority having regulatory authority over such Person or its assets to be, insolvent or (ii) become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment (unless in the case of any Lender referred to in this clause (e), the Parent and the Administrative Agent shall be satisfied that such Lender intends, and has all approvals required to enable it, to continue to perform its obligations as a Lender hereunder) or (f) become the subject of a Bail-In Action. Notwithstanding the foregoing, no Lender shall be a Defaulting

Lender solely by virtue of the ownership or acquisition of any equity interest in such Lender or a parent company thereof by a Governmental Authority or an instrumentality thereof or the exercise of control over such lender or Person controlling such Lender by a Governmental Authority or instrumentality thereof. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under clauses (a) through (f) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 4.12(g)) upon delivery of written notice of such determination to the Parent, each Issuer and each Lender.

“Designated Currencies” shall mean Dollars, Canadian dollars, United Kingdom pounds sterling, Euros and any other available and freely tradable eurocurrency which has been proposed as a Designated Currency by the Parent and is approved in writing as a Designated Currency by all of the Lenders from time to time.

“Dollar”, “Dollars” and the symbol “\$” shall mean lawful money of the United States of America.

“Dollar Equivalent Amount” of any Loan, Letter of Credit (or the undrawn face amount thereof) or LC Disbursement shall mean (a) with respect to a Loan, Letter of Credit or LC Disbursement denominated in a currency other than Dollars, the equivalent in Dollars of the principal amount of such Loan or LC Disbursement or the undrawn face amount of such Letter of Credit in such currency based upon the arithmetic mean of the buy and sell spot rates of exchange of the Administrative Agent for such currency at 11:00 a.m., local time, on the date of determination and (b) with respect to a Loan, Letter of Credit or LC Disbursement denominated in Dollars, the principal amount of such Loan or LC Disbursement or the undrawn face amount of such Letter of Credit.

“Domestic Subsidiary” shall mean any Subsidiary incorporated or organized under the laws of the United States of America, any State thereof or the District of Columbia.

“EEA Financial Institution” shall mean (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” shall mean any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” shall mean any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Employee Benefit Plan” shall mean an “employee benefit plan” as defined in Section 3(3) of ERISA.

“Environmental Laws” shall mean all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, binding notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, release or threatened release of any Hazardous Material or to health and safety matters as they relate to exposure to Hazardous Materials.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor statute.

“ERISA Affiliate” shall mean any trade or business (whether or not incorporated) that, together with the Parent, is treated as a single employer under Section 414(b) or (c) of the Internal Revenue Code, or, solely for purposes of Section 302 of ERISA and Section 412 of the Internal Revenue Code, is treated as a single employer under Section 414 of the Internal Revenue Code.

“ERISA Event” shall mean (a) any “reportable event”, as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period referred to in Section 4043(c) of ERISA is waived); (b) any failure by any Plan to satisfy the minimum funding standards (within the meaning of Sections 412 or 430 of the Internal Revenue Code or Section 302 of ERISA) applicable to such Plan, whether or not waived; (c) the filing pursuant to Section 412(c) of the Internal Revenue Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan, the failure to make by its due date a required installment under Section 430(j) of the Internal Revenue Code with respect to any Plan or the failure by the Parent or any of its ERISA Affiliates to make any required contribution to a Multiemployer Plan; (d) the incurrence by the Parent or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan, including but not limited to the imposition of any Lien in favor of the PBGC or any Plan; (e) a determination that any Plan is, or is expected to be, in “at risk” status (within the meaning of Section 430 of the Internal Revenue Code or Section 303 of ERISA); (f) the receipt by the Parent or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan under Section 4042 of ERISA; (g) the incurrence by the Parent or any of its ERISA Affiliates of any liability under Section 4063 of ERISA with respect to the withdrawal from any Plan; or (h) the receipt by the Parent or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Parent or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent (within the meaning of Section 4245

of ERISA) or in endangered or critical status (within the meaning of Section 432 of the Internal Revenue Code or Section 305 or Title IV of ERISA).

“EU Bail-In Legislation Schedule” shall mean the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“Euro” shall mean the euro referred to in Council Regulation (EC) No. 1103/97 dated June 17, 1997 passed by the Council of the European Union, or, if different, then the lawful currency of the member states of the European Union that participate in the third stage of Economic and Monetary Union.

“Eurocurrency Liabilities” shall have the meaning set forth in the definition of Euro-Rate Reserve Percentage set forth in Section 1.01 hereof.

“Euro-Rate” shall mean, for any day for each Funding Segment of the Euro-Rate Portion corresponding to a proposed or existing Euro-Rate Funding Period, the applicable ICE Benchmark Administration Interest Settlement Rate (or any other Person that takes over the administration of such rate, including NYSE EuroNext) for deposits in the applicable Designated Currency appearing on an internationally recognized service selected by the Administrative Agent, such as Reuters, for such Designated Currency at approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Euro-Rate Funding Period, and having a maturity equal to such Euro-Rate Funding Period; provided that, if no such service for such Designated Currency is available to the Administrative Agent for any reason, the applicable Euro-Rate for the relevant Euro-Rate Funding Period shall instead be determined by the Administrative Agent as the rate at which the Administrative Agent could borrow funds in the London interbank market in the relevant currency and for the relevant Funding Period, were it to do so by asking for and then accepting interbank offers for deposits in reasonable market size in that currency and for that Funding Period, at approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Euro-Rate Funding Period. Notwithstanding the foregoing, in no event shall the Euro-Rate be less than zero.

“Euro-Rate Funding Period” shall have the meaning set forth in Section 2.06(b) hereof.

“Euro-Rate Loan” shall mean any Loan, which bears interest at a rate based on the Euro-Rate Option.

“Euro-Rate Option” shall have the meaning set forth in Section 2.06(a)(ii) hereof.

“Euro-Rate Portion” of any Loan or Loans shall mean at any time the portion, including the whole, of such Loan or Loans bearing interest at any time under the Euro-Rate Option

or at a rate calculated by reference to the Euro-Rate under Section 4.05(b)(i) hereof. If no Loan or Loans is specified, “Euro-Rate Portion” shall refer to the Euro-Rate Portion of all Loans outstanding at such time.

“Euro-Rate Reserve Percentage” shall mean for any day the percentage (expressed as a decimal fraction, rounded upward to the nearest 1/100 of 1%), as determined in good faith by the Administrative Agent (which determination shall be conclusive absent manifest error), which is in effect on such day as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirements (including, without limitation, supplemental, marginal and emergency reserve requirements) with respect to liabilities or assets consisting of or including Eurocurrency funding (currently referred to as “Eurocurrency Liabilities”) of a member bank in such System. The Euro-Rate shall be adjusted automatically with respect to any Revolving Credit Loans bearing interest with reference to the Euro-Rate Option outstanding on the effective date of any change in the Euro-Rate Reserve Percentage, as of such effective date.

“Event of Default” shall mean any of the Events of Default described in Section 9.01 hereof.

“Excluded Taxes” shall have the meaning set forth in Section 4.09(h) hereof.

“Existing Agreement” shall mean the Parent’s existing Revolving Credit Agreement dated as of April 30, 2013, as amended by Amendment No. 1 dated as of July 22, 2013, Amendment No. 2 dated as of June 30, 2014, Amendment No. 3 dated as of April 30, 2015 and Amendment No. 4 dated as of September 30, 2015.

“Extension Request” shall have the meaning set forth in Section 4.01(a) hereof.

“FATCA” shall mean (a) Sections 1471 through 1474 of the Code as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), (b) any current or future regulations or official interpretations thereof, and (c) any agreement entered into pursuant to Section 1471(b)(1) of the Code or any intergovernmental agreements entered into in connection with the implementation of (a) and/or (b) and any rules or guidance implementing such agreements.

“Federal Funds Effective Rate” for any day shall mean the rate per annum (rounded upward to the nearest 1/100 of 1%) determined by the Administrative Agent (which determination shall be conclusive absent manifest error) to be the rate per annum announced by the Federal Reserve Bank of New York (or any successor) on such day as being the weighted average of the rates on overnight Federal funds transactions arranged by Federal funds brokers on the previous trading day, as computed and announced by such Federal Reserve Bank (or any successor); provided that if such Federal Reserve Bank (or its successor) does not announce such rate on any day, the “Federal Funds

Effective Rate” for such day shall be the weighted average of the quotations received on such day for such transactions by the Administrative Agent from three Federal Funds brokers of recognized standing selected by the Administrative Agent. Notwithstanding the foregoing, in no event shall the Federal Funds Effective Rate be less than zero.

“Fee Letters” shall mean the Arranger Fee Letter and the Wells Fargo Fee Letter.

“Funding Periods” shall have the meaning set forth in Section 2.06(b) hereof.

“Funding Segment” shall mean:

(a) with respect to the Euro-Rate Portion of the Revolving Credit Loans, at any time, the entire principal amount of such Portion to which at the time in question there is applicable a particular Funding Period beginning on a particular day and ending on a particular day. (By definition, each such Portion is at all times composed of an integral number of discrete Funding Segments and the sum of the principal amounts of all Funding Segments of any such Portion at any time equals the principal amount of such Portion at such time); and

(b) with respect to the CDOR Portion of the Revolving Credit Loans, at any time, the entire principal amount of such Portion to which at the time in question there is applicable a particular Funding Period beginning on a particular day and ending on a particular day. (By definition, each such Portion is at all times composed of an integral number of discrete Funding Segments and the sum of the principal amounts of all Funding Segments of any such Portion at any time equals the principal amount of such Portion at such time.)

“GAAP” shall mean generally accepted accounting principles in the United States as in effect from time to time (including principles of consolidation where appropriate).

“Governmental Authority” shall mean the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supranational bodies such as the European Union or the European Central Bank).

“Guarantee” of or by any Person (the “guarantor”) shall mean any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase

or lease property, securities or services for the purpose of assuring the owner of such Indebtedness of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness; provided that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

“Guaranteed Obligations” shall mean all Obligations from time to time of the Other Borrowers to the Administrative Agent and the Lenders.

“Hazardous Materials” shall mean all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature that in relevant form or concentration are regulated pursuant to any Environmental Law.

“Indebtedness” of any Person shall mean, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, other than deposits or advances in the ordinary course of business, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person (other than current accounts payable and trade accounts and accrued expenses incurred in the ordinary course of business and other than customary reservations or retentions of title under agreements with suppliers entered in the ordinary course of business), (d) all obligations of such Person in respect of the deferred purchase price of property or services having the effect of a borrowing (other than (i) current accounts payable and trade accounts and accrued expenses incurred in the ordinary course of business and (ii) any noncompete agreement, purchase price adjustment, earnout or deferred payment of a similar nature), (e) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, but limited to the book value of such property when recourse is limited to such property, (f) all Guarantees by such Person in respect of Indebtedness of others, (g) all Capital Lease Obligations of such Person, (h) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty and (i) all obligations, contingent or otherwise, of such Person in respect of bankers’ acceptances. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person’s ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

“Indemnified Parties” shall mean the Agents, the Issuers, the Lenders (including, for the avoidance of doubt, the Swingline Lenders), their respective Affiliates, and the directors, officers, employees, attorneys and agents of each of the foregoing.

“Indemnified Taxes” shall have the meaning set forth in Section 4.09(c) hereof.

“Indenture” shall mean the Indenture dated as of January 10, 1995, between the Parent and The Bank of New York Mellon Trust Company, N.A. (as successor to Wachovia Bank, National Association (formerly known as First Fidelity Bank, National Association)).

“Initial Other Borrowers” shall mean the Subsidiaries of the Parent listed on Schedule II hereto.

“Initial Revolving Credit Committed Amount” shall have the meaning set forth in Section 2.01(a) hereof.

“Interest Period” shall mean with respect to any Competitive Bid Loan, the period commencing on the date such Competitive Bid Loan is made and ending on a date not less than seven days thereafter (with respect to any Absolute Rate Loan) or one, two, three or six months thereafter (with respect to any LIBO-Rate Loan), as the Parent may specify in the related Standard Notice or Competitive Bid Loan Quote Request as provided in Section 3.02(a) hereof; provided that:

(i) No Interest Period may end after the Revolving Credit Maturity Date or Competitive Bid Expiration Date;

(ii) Each Interest Period that would otherwise end on a day that is not a Business Day shall end on the next succeeding Business Day or, in the case of an Interest Period for a LIBOR-based Loan, the term “month” shall be construed in accordance with prevailing practices in the interbank eurocurrency market at the commencement of such Interest Period; and

(iii) Notwithstanding clauses (i) and (ii) above, no Interest Period for any Competitive Bid Loan shall have a duration of less than seven days and, if the Interest Period for any Competitive Bid Loan would otherwise be a shorter period, such Competitive Bid Loan shall not be available hereunder.

“Issuer” shall mean, as the context may require, (a) initially, each of Wells Fargo, BNP Paribas, Deutsche Bank AG New York Branch, HSBC Bank USA, N.A. and Mizuho Bank, Ltd. and (b) any new or replacement issuer of Letters of Credit named hereunder pursuant to Section 2.11(j) or Section 2.11(h), respectively, each in its capacity as an issuing bank of Letters of Credit

issued by such Lender hereunder. With respect to any Letter of Credit or requested Letter of Credit or any amounts payable relating thereto, “Issuer” means the issuer thereof. An Issuer may, in its discretion, arrange for one or more Letters of Credit to be issued by its Affiliates (so long as the applicable Affiliate has been approved by the Parent, which approval will not be unreasonably withheld), in which case the term “Issuer” shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

“Issuer Commitment” shall mean, with respect to any Issuer at any time, the amount set forth as its “Letter of Credit Committed Amount” on Schedule IV.B to issue Letters of Credit hereunder, as such amount may be increased, reduced or terminated pursuant to Section 2.11(h) or (j), as applicable.

“Issuer Exposure” shall mean, at any time with respect to any Issuer, the sum of (x) the aggregate undrawn amount at such time of all outstanding Letters of Credit issued by such Issuer plus (y) the aggregate amount at such time of all LC Disbursements relating to Letters of Credit issued by such Issuer that have not yet been reimbursed by or on behalf of the Parent or the Relevant Borrower.

“Judgment Currency” shall have the meaning set forth in Section 12.15(a) hereof.

“Law” shall mean any law (including common law), constitution, statute, treaty, convention, regulation, rule, ordinance, order, injunction, writ, decree or award of any Governmental Authority.

“LC Disbursement” shall mean a payment made by any Issuer pursuant to a Letter of Credit.

“LC Exposure” shall mean, at any time, the sum of (x) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (y) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Parent or Relevant Borrower at such time. The LC Exposure of any Lender at any time shall be its Commitment Percentage of the total LC Exposure at such time.

“Lender” shall mean any of the Lenders listed on the signature pages hereof, subject to the provisions of Sections 4.10 and 12.14 hereof pertaining to Persons becoming or ceasing to be Lenders. Unless the context clearly indicates otherwise, the term “Lender” includes the Swingline Lenders.

“Letter of Credit” shall mean a standby letter of credit issued pursuant to Section 2.11 hereof.

“Letter of Credit Fee” shall have the meaning set forth in Section 2.05(b) hereof.

“Letter of Credit Maturity Date” shall mean as defined in Section 2.11.

“Letter of Credit Sublimit” shall mean \$500,000,000.

“Leverage Ratio” shall mean, at any time, the ratio of (a) the Consolidated Total Debt at such time to (b) the sum of (x) the Consolidated Total Debt at such time plus (y) the Consolidated Book Net Worth at such time.

“LIBO-Rate” shall mean, with respect to each LIBOR-based Loan, the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other Person that takes over administration of such rate) appearing on Reuters “LIBOR 01” screen (or on any successor or substitute page of such Reuters screen providing rate quotations comparable to those currently provided on such page of such Reuters screen, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates for deposits in the relevant currency in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the making of such Loan, as the rate for the offering of the relevant currency deposits with a maturity comparable to the Interest Period of such LIBOR-based Loan; provided that, if no such service is available to the Administrative Agent for any reason, the applicable LIBO-Rate for the relevant currency shall instead be determined by the Administrative Agent as the rate at which the Administrative Agent could borrow funds in the London interbank market in the relevant currency and for the relevant Interest Period, were it to do so by asking for and then accepting interbank offers for deposits in reasonable market size in that currency and for that Interest Period, at approximately 11:00 a.m. (London time) two Business Days prior to the day such Loan is to be made for delivery. Notwithstanding the foregoing, in no event shall the LIBO-Rate be less than zero.

“LIBOR Auction” shall mean a solicitation of Competitive Bid Loan Quotes setting forth LIBOR-based Margins based on the LIBO-Rate pursuant to Article III hereof.

“LIBOR Market Index Rate” shall mean, for any day, the rate for one (1) month U.S. dollar deposits as reported on Reuters Screen LIBOR01 (or any applicable successor page) as of 11:00 a.m., London time, for such day; provided, (i) if such day is not a Business Day, the immediately preceding Business Day (or if not so reported, then as determined by the Administrative Agent from another recognized source or interbank quotation) and (ii) if such rate shall be less than zero, such rate shall be deemed to be zero.

“LIBOR-based Loans” shall mean Competitive Bid Loans the interest rates of which are determined on the basis of the LIBO-Rate pursuant to a LIBOR Auction.

“LIBOR-based Margin” shall have the meaning set forth in Section 3.02(c)(ii)(C).

“Lien” shall mean, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

“Limited Recourse Debt” shall mean indebtedness of a Project Finance Subsidiary as to which, at the time a determination is being made, the holder of such indebtedness has recourse, with respect to such indebtedness, solely against the assets it has financed or the cash flows therefrom and does not have direct or indirect recourse (through a guarantee, keepwell or otherwise) against the Parent, any other Subsidiary or any of their assets other than the stock (or similar equity interest) of such Project Finance Subsidiary.

“Liquidation Currency” shall have the meaning set forth in Section 12.15(b)(i) hereof.

“Loan” shall mean any loan by a Lender under this Agreement, whether a Revolving Credit Loan, a Competitive Bid Loan or a Swingline Loan and “Loans” shall mean all Revolving Credit Loans, all Competitive Bid Loans and all Swingline Loans made by Lenders under this Agreement.

“Loan Documents” shall mean this Agreement, the Notes, the Borrower Accession Instruments, the Assignment Agreements and the Notices of Assignment.

“Material Adverse Effect” shall mean a material adverse effect on (a) the business, property, operations or financial condition of the Parent and its Subsidiaries, taken as a whole, (b) the ability of the Parent to perform its payment obligations under this Agreement and the other Loan Documents or (c) the validity or enforceability of this Agreement or any of the other Loan Documents or the rights and remedies of the Administrative Agent or the Lenders hereunder or thereunder.

“Modify” and “Modification” shall have the meaning set forth in Section 2.11(a).

“Moody’s” shall have the meaning set forth in Schedule I hereto.

“Multiemployer Plan” shall mean a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“National Currency Unit” shall mean the unit of currency (other than a Euro unit) of each member of the European Union that participates in the third stage of Economic and Monetary Union.

“Non-Consenting Lender” shall have the meaning set forth in Section 12.03 hereof.

“Nonextending Lender” shall have the meaning set forth in Section 4.01(b) hereof.

“Note” or “Notes” shall mean the Revolving Credit Note(s) or the Competitive Bid Note(s), as the case may be.

“Notional Funding Office” shall have the meaning given to that term in Section 4.10(a) hereof.

“Obligations” shall mean all indebtedness, obligations and liabilities of each of the Borrowers to any Lender or the Administrative Agent from time to time arising under or evidenced by or secured by this Agreement or any other Loan Document, and all extensions or renewals thereof, whether such indebtedness, obligations or liabilities are direct or indirect, joint or several, absolute or contingent, due or to become due, now existing or hereafter arising. Without limitation of the foregoing, such indebtedness, obligations and liabilities include the principal amount of Loans, reimbursement obligations with respect to Letters of Credit, interest, fees, indemnities or expenses under or in connection with this Agreement or any other Loan Document, and all extensions or renewals thereof, whether or not such Loans were made in compliance with the terms and conditions of this Agreement or in excess of the obligation of the Lenders to lend. Obligations shall remain Obligations notwithstanding any assignment or transfer or any subsequent assignment or transfer of any of the Obligations or any interest therein.

“OFAC” shall mean the U.S. Department of the Treasury’s Office of Foreign Assets Control or any successor thereto.

“Option” shall mean the Base Rate Option, the Euro-Rate Option or the CDOR Option as the case may be.

“Other Borrower Removal Notice” shall mean an Other Borrower Removal Notice substantially in the form of Exhibit G hereto, as amended, modified or supplemented from time to time.

“Other Borrowers” shall mean the Initial Other Borrowers and each other wholly-owned Subsidiary of the Parent which becomes a party to this Agreement by the execution and delivery by such Subsidiary and the Parent to the Administrative Agent of a Borrower Accession Instrument and the other documentation referred to in such Borrower Accession Instrument, but

shall not include any Subsidiary of the Parent that (a) the Administrative Agent reasonably determines would violate any law, regulation or order of any Governmental Authority (to include, without limitation, applicable “know your customer” and anti-money laundering rules and regulations and the USA PATRIOT Act) or any internal regulation or policy of the Administrative Agent or (b) ceases to be a party to this Agreement upon (i) the execution and delivery by such Subsidiary and the Parent to the Administrative Agent of an Other Borrower Removal Notice, (ii) the repayment in full in cash of all Obligations owed by such Subsidiary and (iii) the expiry or cancellation of all Letters of Credit issued for its account.

“Other Taxes” shall have the meaning set forth in Section 4.09(b).

“Parent” shall mean Air Products and Chemicals, Inc., a Delaware corporation.

“Participant Register” shall have the meaning set forth in Section 12.14(b) hereof.

“Participants” shall have the meaning set forth in Section 12.14(b) hereof.

“PBGC” shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“Person” shall mean an individual, corporation, partnership, limited liability company, trust, unincorporated association, joint venture, joint-stock company, Governmental Authority or any other entity.

“Plan” shall mean any “employee pension benefit plan” as defined in Section 3(2) of ERISA (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA, Section 412 of the Internal Revenue Code or Section 302 of ERISA, and in respect of which the Parent or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“Platform” shall have the meaning set forth in Section 12.19 hereof.

“Portion” shall mean the Base Rate Portion, the Euro-Rate Portion or the CDOR Portion, as the case may be.

“Potential Event of Default” shall mean any event or circumstance which with giving of notice or lapse of time, or any combination of the foregoing, would constitute an Event of Default.

“Prime Rate” shall mean the rate of interest per annum publicly announced from time to time by Wells Fargo as its prime rate; each change in the Prime Rate shall be effective from and including the date such change is publicly announced.

“Principal Property” shall mean any manufacturing plant, research facility or warehouse owned or leased by the Parent or any Subsidiary which is located within the United States of America and has a net book value exceeding 3% of the total assets of the Parent and its consolidated Subsidiaries, as shown on the audited balance sheet in the latest annual report to shareholders of the Parent; provided, however, that the term “Principal Property” shall not include any such plant, facility or warehouse or portion thereof which the board of directors of the Parent by resolution declares is not of material importance to the total business conducted by the Parent and its Subsidiaries as an entirety.

“Project Finance Subsidiary” shall mean any Subsidiary of the Parent formed or utilized for the primary purpose of owning or operating specific assets, the acquisition of which, to the extent financed, is financed solely by Limited Recourse Debt.

“Pro Rata” shall mean, with respect to each Lender: (a) in the case of payments of Commitment Fees, participation fees with respect to Letters of Credit, participations in Letters of Credit and unreimbursed LC Disbursements, reductions pursuant to Section 2.05(c) hereof of the Revolving Credit Committed Amounts and indemnification payments under Section 11.07 hereof, ratably in accordance with such Lender’s Commitment Percentage and (b) in the case of payments and prepayments of principal of and interest on, and conversions and renewals of interest rate Options with respect to, any particular Revolving Credit Loans, ratably in accordance with such Lender’s percentage share of such Revolving Credit Loans.

“Public Debt Rating” shall mean, as of any date, the rating that has been most recently announced by either S&P or Moody’s, as the case may be, for any class of non-credit enhanced long-term senior unsecured debt issued by the Parent.

“Register” shall have the meaning set forth in Section 12.14(d) hereof.

“Regular Payment Date” shall mean the last Business Day of each March, June, September and December.

“Related Litigation” shall have the meaning set forth in Section 12.16(b) hereof.

“Relevant Borrower” shall mean (a) with respect to a Loan or a proposed Loan, the Borrower to which such Loan was made or is proposed to be made, as the case may be and (b) with respect to a Letter of Credit or a requested Letter of Credit, the Borrower which has requested the issuance of such Letter of Credit and for whose account such Letter of Credit is issued or requested to be issued, as the case may be.

“Replacement Lender” shall have the meaning set forth in Section 4.01(b) hereof.

“Required Lenders” shall mean, at any time prior to the termination or expiration of the Commitments, Lenders which have Revolving Credit Committed Amounts constituting, in the aggregate, at least a 50.1% of the Total Revolving Credit Commitment at such time and shall mean, at any time thereafter, Lenders which have outstanding Loans (other than Swingline Loans), Swingline Exposure and LC Exposure constituting, in the aggregate, at least a majority of all Loans, Swingline Exposure and LC Exposure outstanding at such time.

“Requisite Extending Lenders” shall mean at any time Lenders having Revolving Credit Committed Amounts constituting at least a majority of the Revolving Credit Committed Amounts of all Lenders at such time.

“Restricted Subsidiary” shall mean any Subsidiary (a) substantially all of the property of which is located, or substantially all of the business of which is carried on, within the United States of America and (b) which owns or leases a Principal Property.

“Revolving Credit Committed Amount” shall mean, with respect to any Lender at any time, the amount set forth as its “Revolving Credit Committed Amount” on Schedule IV.A to make Revolving Credit Loans hereunder (and to acquire participation in Swingline Loans and Letters of Credit as provided for herein), as such amount may have been reduced pursuant to Section 2.05(c) or increased pursuant to Section 2.10 hereof at such time, and subject to transfer to or from another Lender as provided in Section 12.14 hereof.

“Revolving Credit Commitment” shall mean the commitment of such Lender in an amount equal to its Revolving Credit Committed Amount to make Revolving Credit Loans and to acquire participations in Letters of Credit and Swingline Loans in accordance with the terms hereof.

“Revolving Credit Exposure” shall mean, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender’s Revolving Credit Loans *plus* its LC Exposure at such time *plus* its Swingline Exposure at such time.

“Revolving Credit Loans” shall have the meaning set forth in Section 2.01(a) hereof.

“Revolving Credit Maturity Date” shall mean March 31, 2022, as such date may be extended (solely with respect to Lenders consenting thereto) pursuant to Section 4.01 hereof.

“Revolving Credit Notes” shall mean the promissory notes of each Borrower executed and delivered pursuant to Section 4.10(b), the promissory notes of each Borrower executed and delivered pursuant to Section 2.02, and any promissory note issued in substitution therefor pursuant to Sections 4.10(b) or 12.14(c) hereof, together with all extensions or renewals thereof in whole or part.

“Sanctions” shall mean economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the United States government, including those administered by OFAC or the United States Department of State, or (b) the United Nations Security Council, the European Union or Her Majesty’s Treasury of the United Kingdom.

“Sanctioned Country” shall mean, at any time, a country, region or territory which is itself, or whose government is, the subject or target of comprehensive Sanctions broadly restricting or prohibiting dealings with such country, region, territory or government (at the time of this Agreement, Crimea, Cuba, Iran, North Korea, Sudan and Syria).

“Sanctioned Person” shall mean, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC or the U.S. Department of State, or by the United Nations Security Council, the European Union or Her Majesty’s Treasury of the United Kingdom, (b) any Person located, organized or resident in, or any Governmental Entity or governmental instrumentality of, a Sanctioned Country or (c) any Person owned 50% or more or controlled by any such Person or Persons described in the foregoing clauses (a) and (b), in each case, to the extent dealings are prohibited or restricted with such Person under Sanctions.

“S&P” shall have the meaning set forth in Schedule I hereto.

“Standard Notice” shall mean an irrevocable notice, substantially in the form of Exhibit I hereto, provided to the Administrative Agent on a Business Day which is:

(i) At least three Business Days in advance in the case of selection of, conversion to or renewal of the Euro-Rate Option or prepayment of any Euro-Rate Portion that is denominated in Dollars;

(ii) At least four Business Days in advance in the case of selection of, conversion to or renewal of the Euro-Rate Option or prepayment of any Euro-Rate Portion that is denominated in a currency other than Dollars;

(iii) At least four Business Days in advance in the case of selection of, conversion to or renewal of the CDOR Option or prepayment of any CDOR Portion that is denominated in Canadian Dollars;

(iv) On the same Business Day in the case of selection of, conversion to or renewal of the Base Rate Option or prepayment of Base Rate Portion; and

(v) On the same Business day in the case of a borrowing of Swingline Loans.

Standard Notice must be provided no later than (a) 11:00 a.m., New York time, on the last day permitted for such notice in the case of notices delivered pursuant to clauses (i), (ii) and (iii) above, (b) 10:00 a.m., New York time, on the last day permitted for such notice in the case of notices delivered pursuant to clause (iv) above and (c) 2:00 p.m., New York time, on the last day permitted for such notice in the case of notices delivered pursuant to clause (v) above.

“Subsidiary” of a Person shall mean (a) any corporation more than 50% of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, or (b) any partnership, limited liability company, association, joint venture or similar business organization more than 50% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled. Unless otherwise expressly provided, all references herein to a “Subsidiary” shall mean a Subsidiary of the Parent.

“Successor Borrower” shall have the meaning set forth in Section 9.01(f) hereof.

“Swingline Commitment” shall mean, with respect to any Swingline Lender at any time, the amount set forth as its “Swingline Loans Committed Amount” on Schedule IV.C to fund Swingline Loans hereunder, as such amount may be increased, reduced or terminated pursuant to Section 2.11(e) or (f), as applicable.

“Swingline Exposure” shall mean, at any time, the aggregate principal amount of all Swingline Loans outstanding at such time. The Swingline Exposure of any Lender at any time shall be its Commitment Percentage of the total Swingline Exposure at such time.

“Swingline Lender” shall mean, as the context may require, (a) Wells Fargo in its capacity as Lender of Swingline Loans hereunder and (b) any other Lender that is reasonably acceptable to the Borrowers and the Administrative Agent that may become a Swingline Lender pursuant to Section 2.04(e) or 2.04(f), each in its capacity as lender of Swingline Loans made by such Lender hereunder.

“Swingline Loan” shall mean a Loan made pursuant to Section 2.04.

“Swingline Sublimit” shall mean \$100,000,000.

“Taxes” shall have the meaning set forth in Section 4.09(a) hereof.

“Total Revolving Credit Commitment” shall mean, at any time, the aggregate Revolving Credit Committed Amounts of all Lenders at such time.

“Total Revolving Credit Exposure” shall mean, at any time, the aggregate Revolving Credit Exposure of all Lenders at such time.

“USA PATRIOT Act” shall mean the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as amended from time to time.

“Wells Fargo” shall mean Wells Fargo Bank, N.A. and its successors.

“Wells Fargo Fee Letter” shall mean the Wells Fargo Fee Letter dated March 8, 2017 among the Parent, Wells Fargo and Wells Fargo Securities, LLC.

“Withdrawal Liability” shall mean liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Title IV of ERISA.

“Withholding Agent” shall mean the Parent, each Other Borrower, the Administrative Agent, and in the case of a payment to a Participant such term shall also mean the Lender selling the applicable participation interest.

“Write-Down and Conversion Powers” shall mean, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

Section 1.02 Construction. Unless the context of this Agreement otherwise clearly requires, references to the plural include the singular, the singular the plural and the part the whole; “or” has the inclusive meaning represented by the phrase “and/or”; and “property” includes all properties and assets of any kind or nature, tangible or intangible, real, personal or mixed. References in this Agreement to “determination” (and similar terms) by the Administrative Agent or by any Lender include reasonable and good faith estimates by the Administrative Agent or by such Lender (in the case of quantitative determinations) and good faith beliefs by the Administrative Agent or by such Lender (in the case of qualitative determinations). Unless the context requires otherwise, (a) any definition of or reference to any agreement, instrument or other document herein (including this Agreement) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns (subject to any restrictions on assignment set forth herein) and, in the case of any Governmental Authority, any other Governmental Authority that shall have succeeded to any or all functions thereof, (c) any definition of or reference to any Laws shall be construed as referring thereto as from time to time amended, supplemented or otherwise modified (including by succession of comparable successor Laws). The words “hereof,” “herein,” “hereunder” and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. The section and other headings

contained in this Agreement and the Table of Contents preceding this Agreement are for reference purposes only and shall not control or affect the construction of this Agreement or the interpretation thereof in any respect. Section, clause, exhibit, paragraph and schedule references are to this Agreement unless otherwise specified.

Section 1.03 Accounting Principles. All computations and determinations as to accounting or financial matters shall be made, and all financial statements to be delivered pursuant to this Agreement shall be prepared, in accordance with, and all accounting or financial terms shall have the meanings ascribed to such terms by, GAAP as in effect from time to time; provided that if the Parent notifies the Administrative Agent that the Parent requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Parent that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Notwithstanding any other provision contained herein, all computations of amounts and ratios referred to in this Agreement shall be made without giving effect to any election under FASB ASC Topic 825 “Financial Instruments” (or any other financial accounting standard having a similar result or effect) to value any Indebtedness of the Parent at “fair value” as defined therein.

ARTICLE II

THE REVOLVING CREDIT LOANS

Section 2.01 Revolving Credit Commitments.

(a) Revolving Credit Commitments. Subject to the terms and conditions and relying upon the representations and warranties herein set forth, each Lender, severally and not jointly, agrees to make loans (other than Swingline Loans) in Designated Currencies (the “Revolving Credit Loans”) to the Parent or to an Other Borrower from time to time on or after the date hereof and to but not including the Revolving Credit Maturity Date; provided that:

(i) a Lender shall have no obligation to make any Revolving Credit Loan to the extent that, upon the making of such Revolving Credit Loan, the aggregate Dollar Equivalent Amount of such Lender’s Revolving Credit Exposure would exceed such Lender’s Revolving Credit Committed Amount; and

(ii) no Revolving Credit Loans shall be made hereunder to the extent that such Revolving Credit Loans would cause the Dollar Equivalent Amount of the Total Revolving Credit Exposure and Competitive Bid Loans then outstanding to exceed the Total Revolving Credit Commitment.

(b) Nature of Credit. Within the limits of time and amount set forth in this Section 2.01, and subject to the provisions of this Agreement, the Borrowers may borrow, repay and reborrow Revolving Credit Loans hereunder. Each Revolving Credit Loan shall be made to a single Borrower and shall be made in one of the Designated Currencies selected by the Parent in accordance with this Article II.

(c) Maturity. To the extent not due and payable earlier, the applicable Borrower shall repay the Revolving Credit Loans on the Revolving Credit Maturity Date.

Section 2.02 Noteless Agreement; Evidence of Indebtedness.

(a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of each Borrower to such Lender resulting from each Revolving Loan and Competitive Bid Loan made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(b) The Administrative Agent shall also maintain accounts in which it will record (i) the amount of each Loan made hereunder, and the Funding Period or Interest Period with respect thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from each Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from any Borrower and each Lender's share thereof.

(c) The entries maintained in the accounts maintained pursuant to clauses (a) and (b) above shall be *prima facie* evidence of the existence and amounts of the Obligations therein recorded (absent manifest error); provided, however, that the failure of the Administrative Agent or any Lender to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrowers to repay the Obligations in accordance with their terms. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

(d) Any Lender may request that its Revolving Credit Loans be evidenced by a promissory note in substantially the form of Exhibit A and that its Competitive Bid Loans be evidenced by a promissory note in substantially the form set forth in Exhibit B. In such event, the Borrowers shall prepare, execute and deliver to such Lender such Notes payable to the order of such Lender. Thereafter, the Loans evidenced by such Notes and interest thereon shall at all times

(including after any assignment pursuant to Section 12.14) be represented by one or more Notes payable to the order of the payee named therein or any assignee pursuant to Section 12.14, except to the extent that any such Lender or assignee subsequently returns any such Note for cancellation and requests that such Loans once again be evidenced as described in clauses (a) and (b) above.

Section 2.03 Making of Revolving Credit Loans.

(a) Procedures. Whenever the Parent desires that the Lenders make Revolving Credit Loans, the Parent shall provide Standard Notice to the Administrative Agent setting forth the following information:

(i) the identity of the Relevant Borrower;

(ii) the date, which shall be a Business Day, on which such proposed Loans are to be made;

(iii) the Designated Currency in which such proposed Loans are to be made and the aggregate principal amount of such proposed Loans, which shall be the sum of the principal amounts selected pursuant to clause (iv) of this Section 2.03(a) and which (A) in the case of Loans denominated in Dollars shall be an integral multiple of \$1,000,000 and not less than \$5,000,000 and (B) in the case of Loans denominated in a Designated Currency shall have an aggregate Dollar Equivalent Amount not less than \$5,000,000 and shall be an integral multiple of the amount determined by the Administrative Agent from time to time to be the basic unit in which such currency is traded in the eurocurrency market; provided that in the case of Loans made to refinance the reimbursement of an LC Disbursement as contemplated by Section 2.11(d), such Loans may be in the amount of such LC Disbursement;

(iv) the interest rate Option or Options selected in accordance with Section 2.06(a) hereof and the principal amounts selected in accordance with Section 2.06(c) hereof of the Base Rate Portion and each Funding Segment of the Euro-Rate Portion and CDOR Portion of such proposed Loans; and

(v) with respect to each such Funding Segment of such proposed Loans, the Funding Period to apply to such Funding Segment, selected in accordance with Section 2.06(b) hereof.

Standard Notice having been so provided, the Administrative Agent shall promptly notify each Lender of the information contained therein and of the amount of such Lender's Loan, calculated in accordance with Section 2.03(b). Unless any applicable condition specified in Article VI hereof

has not been satisfied, on the date specified in such Standard Notice each Lender shall make the proceeds of its Loan available to the Administrative Agent at the Administrative Agent's Office, no later than 12:00 Noon, New York time, in funds immediately available. The Administrative Agent will make the funds so received available to the Relevant Borrower in funds immediately available; provided that the Administrative Agent shall pay the proceeds of Loans made to finance the reimbursement of an LC Disbursement as contemplated by Section 2.11(d) directly to the applicable Issuer. This Section 2.03(a) shall not apply to Swingline Loans.

(b) Making of Revolving Credit Loans Ratably. Revolving Credit Loans shall be made by the Lenders ratably in accordance with their respective Commitment Percentages.

(c) Revolving Loans to be Made in Euro. If any Revolving Credit Loan would, but for the provisions of this Section 2.03(c), be capable of being made in either the Euro or in a National Currency Unit, such Revolving Credit Loan shall be made in the Euro.

Section 2.04 Swingline Loans.

(a) Swingline Loans Generally. Subject to the terms and conditions set forth herein, each Swingline Lender agrees to make one or more Swingline Loans to the Parent and any Borrower that is a Domestic Subsidiary in Dollars from time to time on any Business Day during the period from the Closing Date until the Commitment Termination Date applicable to such Swingline Lender in an aggregate principal amount at any time outstanding that will not result in (i) the aggregate principal amount of the outstanding Swingline Loans made by all Swingline Lenders exceeding the Swingline Sublimit, (ii) the Dollar Equivalent Amount of the Total Revolving Credit Exposure exceeding the Dollar Equivalent Amount of the Total Revolving Credit Commitments, (iii) the Swingline Exposure of the applicable Swingline Lender exceeding its Swingline Commitment or (iv) the Dollar Equivalent Amount of the Revolving Credit Exposure of any Lender exceeding the Dollar Equivalent Amount of the Revolving Credit Committed Amount of such Lender; provided that no Swingline Lender shall be required to make a Swingline Loan to refinance an outstanding Swingline Loan. Each Swingline Loan shall be in an aggregate amount of \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof. Within the foregoing limits and subject to the terms and conditions set forth herein, the Parent and any Borrower that is a Domestic Subsidiary may borrow, prepay and reborrow Swingline Loans.

(b) Borrowing Procedure. To request a Swingline Loan from any Swingline Lender, the Parent (on its behalf or on behalf of any Borrower that is a Domestic Subsidiary) shall notify such Swingline Lender of such request by telephone not later than 2:00 p.m. New York City time on the day of the proposed Swingline Loan. Each such telephonic notice shall be irrevocable and shall be confirmed immediately in writing, or by facsimile transmission or electronic messaging system, by delivery to such Swingline Lender (with a copy to the

Administrative Agent) of Standard Notice. Each such telephonic and written Standard Notice shall specify the requested date (which shall be a Business Day) and the amount of the requested Swingline Loan, the name of the Borrower (which shall be the Parent or a Borrower that is a Domestic Subsidiary) and the location and number of the account of the applicable Borrower to which funds are to be disbursed. Such Swingline Lender shall make each Swingline Loan in the amount thereof requested by such Borrower in the Standard Notice by means of a wire transfer to the account specified in such Standard Notice by 4:00 p.m. New York City time on the requested date of such Swingline Loan. Each Swingline Lender shall give prompt notice to the Administrative Agent of the making of, and receipt from the Borrower of any payment with respect to, any Swingline Loan of such Swingline Lender.

(c) Refinancing of Swingline Loans.

(i) Any Swingline Lender may by written notice given to the Administrative Agent not later than 10:00 a.m. New York City time on any Business Day may request, on behalf of the Parent (which hereby irrevocably authorizes each Swingline Lender to so request on its behalf), that each Lender make a Base Rate Loan in an amount equal to such Lender's Commitment Percentage of such Swingline Lender's amount of the applicable Swingline Loans then outstanding. Such written notice shall be deemed to be a Standard Notice for purposes hereof and made in accordance with the requirements of Section 2.03, without regard to the minimum and multiples specified therein for the principal amount of Base Rate Loans, but subject to the unutilized portion of the Total Revolving Credit Commitments and the conditions set forth in Section 6.02. Such notice shall specify the aggregate amount of the Swingline Loans in which the Lenders will be required to make Base Rate Loans. Promptly upon receipt of such notice, the Administrative Agent will give notice thereof to each Lender, specifying in such notice the name of the requesting Swingline Lender and such Lender's Commitment Percentage of such Swingline Loans. Each Lender shall make an amount equal to its Commitment Percentage of the amount specified in such Standard Notice available to the Administrative Agent in same day funds for the account of the applicable Swingline Lender at the Administrative Agent's Office in accordance with Section 2.04(c)(iii), whereupon, subject to Section 2.04(c)(ii), each Lender that so makes funds available shall be deemed to have made a Base Rate Loan to the Parent in such amount. The Administrative Agent shall remit the funds so received to the applicable Swingline Lender.

(ii) If for any reason any Swingline Loan cannot be refinanced by such a Borrowing in accordance with Section 2.04(c)(i), the request for Base Rate Loans submitted by the applicable Swingline Lender as set forth herein

shall be deemed to be a request by such Swingline Lender that each of the Lenders fund its risk participation in the relevant Swingline Loans and each Lender's payment to the Administrative Agent for the account of such Swingline Lender pursuant to Section 2.04(c)(i) shall be deemed payment in respect of such participation. Notwithstanding anything to the contrary contained herein such Lender's participation shall bear interest at the Base Rate plus the Applicable Margin (plus the rate set forth in Section 4.05(b)(ii) hereof, if applicable).

(iii) Each Lender hereby absolutely and unconditionally agrees to make refinancing Base Rate Loans or otherwise pay, upon receipt of notice as provided above, to the Administrative Agent, for the account of such Swingline Lender, such Lender's Commitment Percentage of such Swingline Loans. Each Lender acknowledges and agrees that, in making any Swingline Loan, each Swingline Lender shall be entitled to rely, and shall not incur any liability for relying, upon the representation and warranty of the Parent and the Borrowers deemed made pursuant to Section 6.02, unless, at least one Business Day prior to the time such Swingline Loan was made, the Required Lenders shall have notified such Swingline Lender (with a copy to the Administrative Agent) in writing that, as a result of one or more events or circumstances described in such notice, one or more of the conditions precedent set forth in Section 6.02 would not be satisfied if such Swingline Loan were then made (it being understood and agreed that, in the event any Swingline Lender shall have received any such notice, no Swingline Lender shall have any obligation to make any Swingline Loan until and unless it shall be satisfied that the events and circumstances described in such notice shall have been cured or otherwise shall have ceased to exist). Each Lender further acknowledges and agrees that its obligation to make Base Rate Loans or acquire and fund risk participations in Swingline Loans pursuant to this Section 2.04(c) is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Potential Event of Default, an Event of Default or any reduction or termination of the Commitments, and that each such payment shall be made without any offset, counterclaim, abatement, withholding or reduction whatsoever. Each Lender shall comply with its obligation under this Section 2.04(c) by wire transfer of immediately available funds, in the same manner as provided in Section 2.03(a) with respect to Loans made by such Lender (and Section 2.03(a) shall apply, *mutatis mutandis*, to the payment obligations of the Lenders pursuant to this Section 2.04(c)), and the Administrative Agent shall promptly remit to such Swingline Lender the amounts so received by it from the Lenders. The Administrative Agent shall notify the Parent of any Base Rate Loans made to refinance, and participations acquired in, any Swingline Loan pursuant to this Section 2.04(c), and

thereafter payments in respect of such Swingline Loan shall be made to the Administrative Agent and not to the applicable Swingline Lender. Any amounts received by any Swingline Lender from any Borrower (or other Person on behalf of any Borrower) in respect of a Swingline Loan after receipt by such Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Administrative Agent; any such amounts received by the Administrative Agent shall be promptly remitted by the Administrative Agent to the Lenders that shall have made their payments pursuant to this Section 2.04(c) and to such Swingline Lender, as their interests may appear; provided that any such payment so remitted shall be repaid to such Swingline Lender or to the Administrative Agent, as applicable, if and to the extent such payment is required to be refunded to any Borrower for any reason. Neither the making of Base Rate Loans or the purchase of participations in a Swingline Loan pursuant to this Section 2.04(c) shall relieve any Borrower of its obligation to repay such Swingline Loan, together with interest as provided herein.

(iv) If any Lender fails to make available to the Administrative Agent for the account of the applicable Swingline Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.04(c) by the time specified in Section 2.04(c)(i), such Swingline Lender shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to such Swingline Lender at a rate per annum equal to the greater of (x) the Federal Funds Effective Rate and (y) an overnight rate determined by the such Swingline Lender in accordance with banking industry rules on interbank compensation, *plus* any administrative, processing or similar fees customarily charged by such Swingline Lender in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid (excluding interest and fees as aforesaid) shall constitute such Lender's Base Rate Loan included in the relevant Borrowing or funded participation in the relevant Swingline Loan, as the case may be. A certificate of the applicable Swingline Lender submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (iv) shall be conclusive absent manifest error.

(d) Repayment of Swingline Loans. Each Borrower hereby promises to pay to each Swingline Lender the then unpaid principal amount of each Swingline Loan made by such Swingline Lender on the earlier of (x) the Commitment Termination Date applicable to such Swingline Lender and (y) the date that is ten (10) Business Days after such Swingline Loan is made; provided that on each date that a Borrowing is made, the Borrowers shall repay all Swingline Loans that were outstanding on the date such Borrowing was requested. To the extent not due and payable

earlier, the applicable Borrower shall repay the Swingline Loans on the Revolving Credit Maturity Date.

(e) Additional Swingline Lenders. Parent may, at any time and from time to time with the consent of the Administrative Agent and such Lender, designate in writing one or more additional Lenders to act as a swingline lender under the terms of this Agreement, subject to reporting requirements reasonably satisfactory to the Administrative Agent with respect to loan fundings, payments and interest payment dates of Swingline Loans by such additional swingline lender. Any Lender designated as a swingline lender pursuant to this paragraph (e) shall be set forth in an updated Schedule IV.C and be deemed to be a “Swingline Lender” (in addition to being a Lender) in respect of Swingline Loans issued or to be issued by such Lender, and, with respect to such Swingline Loan, such term shall thereafter apply to such additional Swingline Lender and such Lender.

(f) Removal of a Swingline Lender. Any Swingline Lender may be removed at any time by the Parent by notice to the Swingline Lender, the Administrative Agent and the Lenders. The Administrative Agent shall notify the Lenders of any such removal of a Swingline Lender. At the time such removal shall become effective, the Borrowers shall pay all accrued and unpaid fees and other amounts due to such retiring Swingline Lender. The acceptance of any appointment as a Swingline Lender hereunder by a successor Lender shall be evidenced by an agreement entered into by such successor, in a form satisfactory to the Parent and the Administrative Agent, and, from and after the effective date of such agreement, (i) such successor Swingline Lender shall be set forth in an updated Schedule IV.C and shall have all the rights and obligations of a Swingline Lender under this Agreement and the other Loan Documents with respect to Swingline Loans to be made by it thereafter and (ii) references herein and in the other Loan Documents to the term “Swingline Lender” shall be deemed to refer to such successor or to any previous Swingline Lender, or to such successor and all previous Swingline Lenders, as the context shall require. After the removal of a Swingline Lender hereunder, the retiring Swingline Lender shall remain a party hereto and shall continue to have all the rights and obligations of a Swingline Lender under this Agreement and the other Loan Documents with respect to Swingline Loans funded by it prior to such removal, but shall not be required to fund any additional Swingline Loans.

Section 2.05 Fees; Reduction of the Revolving Credit Committed Amounts.

(a) Commitment Fee. The Parent shall pay to the Administrative Agent for the account of each Lender a fee (the “Commitment Fee”) for each day from and including the Closing Date and to but not including the date that such Lender’s Revolving Credit Commitment is terminated. Such fee shall be payable on the unused amount of such Lender’s Revolving Credit Committed Amount on such day and shall accrue at the applicable rate per annum for such day set forth on Schedule I under the caption “Commitment Fee Rate”. Commitment Fees shall be due and

payable for the preceding period for which such fees have not been paid on each Regular Payment Date and on the date on which the Revolving Credit Commitments terminate. All Commitment Fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed. For purposes of calculating the Commitment Fee only, no portion of the Commitments shall be deemed utilized as a result of outstanding Swingline Loans.

(b) Letter of Credit Fees. The Parent agrees to pay (i) to the Administrative Agent for the account of each Lender a participation fee with respect to its participations in each Letter of Credit, which shall accrue at a rate per annum equal to the Applicable Margin for Euro-Rate Loans on the daily amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) in respect of such Letter of Credit during the period from and including the Closing Date to but excluding the later of the date on which such Lender's Revolving Credit Commitment terminates and the date on which such Lender ceases to have any LC Exposure, and (ii) to each Issuer a fronting fee, which shall accrue at a rate per annum separately agreed between the Parent and such Issuer (or such Issuer's Affiliate, if applicable) on the average daily amount of the LC Exposure associated with Letters of Credit issued by such Issuer (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Closing Date to but excluding the later of the date of termination of the Revolving Credit Commitments and the date on which there ceases to be any LC Exposure, as well as such Issuer's standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees (together, "Letter of Credit Fees") shall be payable in arrears on each Regular Payment Date, the date on which the Revolving Credit Commitments terminate and thereafter on demand. Any other fees payable to the Issuer pursuant to this paragraph shall be payable within 10 days after demand. All Letter of Credit Fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed.

(c) Optional Reduction of the Revolving Credit Committed Amounts. The Parent may at any time or from time to time reduce Pro Rata the Revolving Credit Committed Amounts of the Lenders to an aggregate amount (which may be zero) not less than the sum of the aggregate Dollar Equivalent Amounts of the Revolving Credit Exposures and Competitive Bid Loans then outstanding plus the aggregate Dollar Equivalent Amount of all Revolving Credit Loans, Letters of Credit and Competitive Bid Loans not yet made as to which notice has been given by the Parent under Section 2.03, 2.11(b) or 3.02 hereof, as the case may be. Any reduction of the Revolving Credit Committed Amounts shall be in an aggregate amount which is an integral multiple of \$20,000,000 or the Total Revolving Credit Commitment. Reduction of the Revolving Credit Committed Amounts shall be made by providing not less than three Business Days' notice to such effect to the Administrative Agent. Such notice of reduction shall be irrevocable; provided that such a notice delivered by the Parent may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Parent (by notice to the

Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. After the date specified in such notice which is not so revoked the Commitment Fee shall be calculated upon the Revolving Credit Committed Amounts as so reduced. The Administrative Agent will promptly send copies of such notice to the Lenders.

Section 2.06 Interest Rates.

(a) Optional Bases of Borrowing. The unpaid principal amount of the Loans shall bear interest for each day from and including the date on which funds are made available to the Relevant Borrower by the Administrative Agent and to but excluding the date of repayment on one or more bases selected by the Parent from among the interest rate Options set forth below; provided, however, that (w) the Base Rate Option may not be selected to apply to Revolving Credit Loans which are denominated in a currency other than Dollars, (x) the Euro-Rate Option may not be selected to apply to Revolving Credit Loans which are denominated in Canadian Dollars, (y) a CDOR Option shall apply to all Revolving Credit Loans denominated in Canadian Dollars (and only those Loans) and (z) the LIBOR Market Index Rate shall apply to all Swingline Loans (and only those Loans). Subject to the provisions of this Agreement, the Parent may select different Options to apply simultaneously to different Portions of the Revolving Credit Loans and may select different Funding Segments to apply simultaneously to different parts of each of the Euro-Rate Portion and the CDOR Portion of the Revolving Credit Loans. The aggregate number of Funding Segments applicable to all of the Euro-Rate Portions and CDOR Portions of the Revolving Credit Loans at any time shall not exceed six unless otherwise permitted by the Administrative Agent.

(i) Base Rate Option: A rate per annum (computed on the basis of a year of 360 days and actual days elapsed) for each day equal to (x) the Base Rate for such day (or 365 or 366 days, as the case may be, in the case of Base Rate Loans where interest is based on the Prime Rate) plus (y) the Applicable Margin for such day (the “Base Rate Option”).

(ii) Euro-Rate Option: A rate per annum (computed on the basis of a year of 360 days and actual days elapsed or, in the case of Loans denominated in U.K. pounds sterling, computed on the basis of a year of 365 or 366 days, as the case may be) for each day equal to (x) the rate per annum determined in good faith by the Administrative Agent in accordance with its usual procedures (which determination shall be conclusive absent manifest error) by dividing (the resulting quotient to be rounded upward to the nearest 1/100 of 1%) (1) the Euro-Rate for such day by (2) a number equal to 1.00 minus the Euro-Rate Reserve Percentage, if any, for such day plus (y) the Applicable Margin for such day (the “Euro-Rate Option”).

(iii) CDOR Option: A rate per annum (computed on the basis of a year of 365 or 366 days, as the case may be) for each day equal to (x) the rate per annum determined in good faith by the Administrative Agent in accordance with its usual procedures (which determination shall be conclusive absent manifest error) as the CDOR plus (y) the Applicable Margin for such day (the “CDOR Rate Option”).

(iv) Swingline Loans: A rate per annum (computed on the basis of a year of 360 days and actual days elapsed) for each day equal to (x) the LIBOR Market Index Rate plus (y) the Applicable Margin for such day; provided that Swingline Loans that have been refinanced in accordance with Section 2.04(c)(i) shall bear interest in accordance with the Base Rate Option.

The Administrative Agent shall give prompt notice to the Parent and to the Lenders of the Base Rate, Euro-Rate, CDOR Rate or LIBOR Market Index Rate so determined.

(b) Funding Periods. At any time when the Parent shall select, convert to or renew the Euro-Rate Option to apply to any part of the Revolving Credit Loans, the Parent shall specify one or more periods (the “Euro-Rate Funding Periods”) during which each such Option shall apply, such Euro-Rate Funding Periods being one, two, three or six months (or, if approved by each Lender, one week); provided that (i) each Euro-Rate Funding Period shall begin on a Business Day, and the term “month”, when used in connection with a Euro-Rate Funding Period, shall be construed in accordance with prevailing practices in the interbank eurocurrency market at the commencement of such Euro-Rate Funding Period, as determined in good faith by the Administrative Agent (which determination shall be conclusive); and (ii) the Parent may not select a Euro-Rate Funding Period that would end after the Revolving Credit Maturity Date. At any time when the Parent shall select, convert to or renew the CDOR Option to apply to any part of the Revolving Credit Loans, the Parent shall specify one or more periods (the “CDOR Funding Periods”) during which each such Option shall apply, such CDOR Funding Periods being one, two, three or six months; provided that (i) each CDOR Funding Period shall begin on a Business Day, and the term “month”, when used in connection with a CDOR Funding Period, shall be construed in accordance with prevailing practices in the relevant market at the commencement of such CDOR Funding Period, as determined in good faith by the Administrative Agent (which determination shall be conclusive); and (ii) the Parent may not select a CDOR Funding Period that would end after the Revolving Credit Maturity Date. The term “Funding Period” shall mean a CDOR Funding Period or a Euro-Rate Funding Period, as applicable.

(c) Transactional Amounts. Every selection of, conversion from, conversion to or renewal of an interest rate Option and every payment or prepayment of any Revolving Credit Loans shall be either:

(i) in a principal amount such that after giving effect thereto the aggregate principal amount of the Base Rate Portion of the Revolving Credit Loans, or the aggregate principal amount of each Funding Segment of the Euro-Rate Portion of the Revolving Credit Loans, shall be (A) in the case of Revolving Credit Loans denominated in Dollars, \$5,000,000 or a higher integral multiple of \$1,000,000 and (B) in the case of Revolving Credit Loans denominated in a currency other than Dollars, an amount the Dollar Equivalent Amount of which is greater than \$5,000,000 and which is an integral multiple of the amount determined by the Administrative Agent from time to time to be the basic unit in which such currency is funded in the eurocurrency market; or

(ii) in the case of a prepayment by any Borrower, if the principal amount of the Base Rate Portion of the Revolving Credit Loans or the aggregate principal amount of a Funding Segment of the Euro-Rate Portion or CDOR Portion of the Revolving Credit Loans is a Dollar Equivalent Amount of less than \$5,000,000, in a principal amount equal to such principal amount.

(d) Euro-Rate or CDOR Unascertainable; Impracticability.

(i) If (A) on any date on which a Euro-Rate or CDOR would otherwise be set the Administrative Agent shall have determined in good faith (which determination shall be conclusive absent manifest error) that:

(1) adequate and reasonable means do not exist for ascertaining such Euro-Rate or CDOR, as applicable, or

(2) a contingency has occurred which materially and adversely affects the interbank eurocurrency market for the relevant currency, or

(3) the effective cost to the Required Lenders of funding a proposed Funding Segment of the Euro-Rate Portion or CDOR Portion, as applicable, shall exceed the Euro-Rate or CDOR applicable to such Funding Segment, or

(B) at any time any Lender shall have determined in good faith (which determination shall be conclusive absent manifest error) that the making, maintenance or funding of any part of the Euro-Rate Portion or CDOR Portion has been made impracticable or unlawful by compliance by such Lender or a Notional Funding Office in good faith with any Law or guideline or interpretation or administration thereof by any Governmental Authority charged with the

interpretation or administration thereof or with any request or directive of any such Governmental Authority (whether or not having the force of law); then, and in any such event, the Administrative Agent or such Lender, as the case may be, may notify the Parent of such determination (and any Lender giving such notice shall notify the Administrative Agent). Upon such date as shall be specified in such notice (which shall not be earlier than the date such notice is given), the obligation of each of the Lenders to allow the Parent to select, convert to or renew the Euro-Rate Option or CDOR Option, as applicable, with respect to the relevant currency or currencies shall be suspended until the Administrative Agent or such Lender, as the case may be, shall have later notified the Parent (and any Lender giving such notice shall notify the Administrative Agent) of the Administrative Agent's or such Lender's determination in good faith (which determination shall be conclusive absent manifest error) that the circumstance giving rise to such previous determination no longer exist.

(ii) If any Lender notifies the Parent of a determination under clause (B) of Section 2.06(d)(i), the Euro-Rate Portion or CDOR Portion of the Loans of such Lender (the "Affected Lender") shall, subject to Section 4.08(c) hereof, (i) be automatically converted to the Base Rate Option, in the case of Revolving Credit Loans denominated in Dollars, or (ii) be repaid by the Relevant Borrower, in the case of Revolving Credit Loans denominated in a currency other than Dollars, on the last day of the then current Funding Period with respect to such Loans (in the case of a determination that the making, maintenance or funding of any Euro-Rate Portion or CDOR Portion of such Loans is impracticable) and the last day on which the making, maintenance or funding of any Euro-Rate Portion or CDOR Portion of such Loans is not unlawful (in the case of a determination that the making, maintenance or funding of any Euro-Rate Portion or CDOR Portion, as applicable, of such Loans is unlawful) and accrued interest thereon shall be due and payable on such date.

(iii) If at the time the Administrative Agent or a Lender makes a determination under clause (A) or (B) of Section 2.06(d)(i) the Parent previously has notified the Administrative Agent that it wishes to select, convert to or renew the Euro-Rate Option or CDOR Portion with respect to any proposed Revolving Credit Loans but such Loans have not yet been made, (A) such notification shall be deemed to provide for selection of, conversion to or renewal of the Base Rate Option instead of the Euro-Rate Option with respect to any such Loans denominated in Dollars or, in the case of a determination by a Lender, any such Loans denominated in Dollars of such Lender or (B) subject to Section 4.08(c), such notification shall be deemed to be revoked in the case of a selection of the Euro-

Rate Option or CDOR Portion or shall be deemed to be a notice of prepayment in the case of a conversion or renewal, with respect to any such Loans denominated in a currency other than Dollars or, in the case of a determination by a Lender, any such Loans denominated in a currency other than Dollars of such Lender.

(iv) An Affected Lender shall take actions of the type referred to in Section 4.10, if such actions would avoid the application of clause (B) of Section 2.06(d)(i) and would not, in the good faith judgment of such Lender, be disadvantageous in any way to such Lender or its Affiliates at such time or in the future.

Section 2.07 Conversion or Renewal of Interest Rate Options.

(a) Conversion or Renewal. Subject to the provisions of Section 2.08 hereof, the Parent may convert any part of the Revolving Credit Loans denominated in any Designated Currency from any interest rate Option or Options to one or more different interest rate Options available for such Designated Currency and may renew the Euro-Rate Option or CDOR Option as to any Funding Segment of the Euro-Rate Portion or CDOR Portion, as applicable:

(i) at any time with respect to conversion from the Base Rate Option; or

(ii) at the expiration of any Funding Period with respect to conversions from or renewals of the Euro-Rate Option or CDOR Option as to the Funding Segment corresponding to such expiring Funding Period;

provided that at any time when an Event of Default has occurred and is continuing or exists, (w) the Parent may not select, convert to or renew the Euro-Rate Option with respect to any Revolving Credit Loans denominated in Dollars, (x) the Parent may not select, convert to or renew the CDOR Option with respect to any Revolving Credit Loans, (y) the Parent may not renew or convert any Revolving Credit Loans to any Designated Currency other than Dollars, and (z) the Parent may not select a Funding Period longer than one month with respect to Revolving Credit Loans denominated in a currency other than Dollars; provided, further, that this Section 2.07(a) shall not apply to Swingline Loans, which may not be converted.

Whenever the Parent desires to convert or renew any interest rate Option or Options, the Parent shall provide to the Administrative Agent Standard Notice setting forth the following information:

(i) the date, which shall be a Business Day, on which the proposed conversion or renewal is to be made;

(ii) the principal amounts selected in accordance with Section 2.06(c) hereof of the Base Rate Portion and each Funding Segment of the Euro-Rate Portion or CDOR Portion to be converted from or renewed;

(iii) the interest rate Option or Options selected in accordance with Section 2.06(a) hereof and the principal amounts selected in accordance with Section 2.06(c) hereof of the Base Rate Portion and each Funding Segment of the Euro-Rate Portion or CDOR Portion to be converted to; and

(iv) with respect to each Funding Segment to be converted to or renewed, the Funding Period selected in accordance with Section 2.06(b) hereof to apply to such Funding Segment.

Standard Notice having been so provided, after the date specified in such Standard Notice, interest shall be calculated upon the principal amount of the Loans as so converted or renewed.

(b) Failure to Convert or Renew. Absent due notice from the Parent of conversion or renewal in the circumstances described in Section 2.07(a)(ii) hereof, any part of the Euro-Rate Portion for which such notice is not received (i) shall be converted automatically to the Base Rate Option, in the case of Revolving Credit Loans denominated in Dollars or (ii) the Euro-Rate Option or CDOR Option, as applicable, shall be automatically renewed for a Funding Period of one month for the Euro-Rate Option or CDOR Option, as applicable, in the case of Revolving Credit Loans denominated in a currency other than Dollars, on the last day of the expiring Funding Period.

Section 2.08 Optional Prepayments. The Relevant Borrower shall have the right at its option at any time and from time to time to prepay its Revolving Credit Loans or Swingline Loans in whole or part without premium or penalty (subject, however, to Sections 2.06(c), 4.04 and 4.08(c) hereof).

Section 2.09 Interest Payment Dates. The applicable Borrower shall pay interest on the Base Rate Portion of the Revolving Credit Loans on the date of any conversion of all or part of the Base Rate Portion to a different interest rate Option on the amount converted, any prepayment of any part of the Base Rate Portion on the amount prepaid, and on each Regular Payment Date. The applicable Borrower shall pay interest on each Funding Segment of the Euro-Rate Portion or CDOR Portion of the Revolving Credit Loans on the last day of the corresponding Funding Period and, if such Funding Period is longer than three months, also on the last day of every third month during such Funding Period. The applicable Borrower shall pay interest on the Swingline Loans, quarterly in arrears, on the last Business Day of each of March, June, September and December (or more frequently as the applicable Swingline Lender and the relevant Borrower may otherwise agree in writing with notice thereof provided to the Administrative Agent). After maturity of any part of

the Loans (by acceleration or otherwise), the applicable Borrower shall pay interest on such part of the Loans on demand.

Section 2.10 Increase in Total Revolving Credit Commitment. The Parent may, at its option, on one or more occasions, seek to increase the Total Revolving Credit Commitment by up to \$500,000,000 in the aggregate for all such occasions (i.e., the maximum Total Revolving Credit Commitment is \$3,000,000,000) upon at least three (3) Business Days' prior notice to the Administrative Agent, which notice shall specify the amount of any such requested increase and shall state that, and be delivered at a time when, no Event of Default or Potential Event of Default has occurred and is continuing or exists. The Parent may, after giving such notice, offer the increase in the Total Revolving Credit Commitment to any of the existing Lenders and/or to other banks, financial institutions or other entities on a non-pro rata basis in such amounts as determined by the Parent; provided, however, all amounts, Lenders and/or other banks, financial institutions or other entities shall be approved by the Administrative Agent, the Swingline Lenders and the Issuers (such approval not to be unreasonably withheld or delayed). The Parent may elect to accept on any such occasion an increase in the Total Revolving Credit Commitment in an amount up to the aggregate increased commitments offered to the Parent. No increase in the Total Revolving Credit Commitment shall become effective until the existing or new Lender extending such incremental commitment amount and the Parent shall have executed and delivered to the Administrative Agent an agreement in writing in substantially the form of Exhibit H attached hereto pursuant to which such Lender states its Revolving Credit Committed Amount and agrees to assume and accept the obligations and rights of a Lender hereunder. No Lender shall have any obligation to increase its Commitment hereunder. The Lenders (new or existing) shall accept an assignment from the existing Lenders, and the existing Lenders shall make an assignment to the new or existing Lender accepting a new or increased Revolving Credit Committed Amount, of an interest in all then outstanding Revolving Credit Loans and a participation interest in all then outstanding Letters of Credit and LC Disbursements such that, after giving effect thereto, all Revolving Credit Exposure is held ratably by the Lenders in proportion to their respective Revolving Credit Committed Amounts. Assignments pursuant to the preceding sentence shall be made in exchange for the principal amount assigned plus accrued and unpaid interest and Commitment Fees. The Parent shall make any payments under Section 4.08(c) resulting from such assignments. Any such increase in the Total Revolving Credit Commitment shall be in a minimum amount of \$10,000,000 or a higher integral multiple of \$5,000,000 and shall be subject to receipt by the Administrative Agent from the Parent of such supplemental opinions, resolutions, certificates and other documents as the Administrative Agent may reasonably request.

Section 2.11 Letters of Credit.

(a) Issuance. Each Issuer hereby agrees, on the terms and conditions set forth in this Agreement, to issue Letters of Credit and to renew, extend, increase, decrease or

otherwise modify Letters of Credit (“Modify,” and each such action a “Modification”), from time to time from and including the date of this Agreement and prior to the Letter of Credit Maturity Date upon the request of the Parent and for the account of any Borrower; provided that a Letter of Credit shall be issued or Modified only if (and upon each issuance or Modification the Relevant Borrower shall be deemed to represent and warrant that) before and after giving effect to such issuance or Modification (i) the LC Exposure shall not exceed the Letter of Credit Sublimit, (ii) the Dollar Equivalent Amount of the Total Revolving Credit Exposure and Competitive Bid Loans then outstanding shall not exceed the Total Revolving Credit Commitment (either as in effect on the date of such issuance or Modification or, if the Revolving Credit Maturity Date has been extended pursuant to Section 4.01 and the expiration of such Letter of Credit (as Modified, if applicable) would occur after the Revolving Credit Maturity Date without giving effect to such extension, as the Total Revolving Credit Commitment is scheduled to be in effect immediately following the expiry of the Commitment of any Lender which is a Nonextending Lender relative to such extension), (iii) the Dollar Equivalent Amount of the Issuer Exposure of the applicable Issuer shall not exceed the Dollar Equivalent Amount of its Issuer Commitment and (iv) the Dollar Equivalent Amount of the Revolving Credit Exposure of any Lender shall not exceed the Dollar Equivalent Amount of the Revolving Credit Committed Amount of such Lender. Each Letter of Credit shall be denominated in a Designated Currency and shall be in a form satisfactory to the Issuer. No Letter of Credit shall have an expiry date later than the fifth Business Day prior to the Revolving Credit Maturity Date (such day, the “Letter of Credit Maturity Date”). Notwithstanding the foregoing, no Issuer shall be under any obligation to issue any Letter of Credit if any order, judgment or decree of any Governmental Authority or other regulatory body with jurisdiction over such Issuer shall purport by its terms to enjoin or restrain such Issuer from issuing such Letter of Credit, or any law or governmental rule, regulation, policy, guideline or directive (whether or not having the force of law) from any governmental authority or other regulatory body with jurisdiction over such Issuer shall prohibit, or request that such Issuer refrain from, the issuance of such Letter of Credit in particular or shall impose upon such Issuer with respect to any Letter of Credit any restriction or reserve or capital requirement (for which such Issuer is not otherwise compensated) or any unreimbursed loss, cost or expense which was not applicable, in effect and known to such Issuer as of the date of this Agreement and which such Issuer in good faith deems material to it.

(b) Notice of Issuance or Modification; Certain Conditions. The Parent shall give the Issuer and the Administrative Agent notice prior to 10:00 a.m., New York time, at least three Business Days (or such shorter period agreed to by the Issuer) prior to the proposed date of issuance or Modification of each Letter of Credit, specifying the beneficiary, the proposed date of issuance (or Modification), the expiry date of such Letter of Credit, the amount and currency of such Letter of Credit and such other information as the Issuer may reasonably request to facilitate the requested issuance or Modification. Such notice shall be by hand delivery, facsimile or, if arrangements for doing so have been agreed upon by the Parent, the Issuer and the Administrative

Agent, by electronic communication. Upon request of a Lender, the Administrative Agent agrees to provide the information contained in such notice to such Lender. If requested by the Issuer, the Relevant Borrower also shall submit a letter of credit application on the Issuer's standard form in connection with any request for a Letter of Credit. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Relevant Borrower to, or entered into by the Relevant Borrower with, the Issuer relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(c) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the Issuer or the Lenders, the Issuer hereby grants to each Lender, and each Lender hereby acquires from the Issuer, a participation in such Letter of Credit equal to such Lender's Commitment Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the Issuer, such Lender's Commitment Percentage of each LC Disbursement made by the Issuer and not reimbursed by the Relevant Borrower on the date due as provided in clause (d) of this Section, or of any reimbursement payment required to be refunded to the Relevant Borrower for any reason. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of an Event of Default or Potential Event of Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(d) Reimbursement. If the Issuer shall make any LC Disbursement in respect of a Letter of Credit, the Relevant Borrower shall reimburse such LC Disbursement by paying to the Administrative Agent at its Office an amount in the applicable Designated Currency equal to such LC Disbursement not later than 12:00 Noon, New York time, on the Business Day immediately following the day that the Parent or Relevant Borrower receives notice of such LC Disbursement; provided that if the amount to be reimbursed is denominated in Dollars, the Parent or Relevant Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 that such payment be financed with Base Rate Option Revolving Credit Loans in an equivalent amount and, to the extent so financed, the Relevant Borrower's obligation to make such payment shall be discharged and replaced by the resulting Revolving Credit Loans. If the Relevant Borrower fails to make such payment when due, the Administrative Agent shall notify each Lender of the applicable LC Disbursement, the payment then due from the Relevant Borrower in respect thereof and such Lender's Commitment Percentage thereof. Promptly (and in any event within one Business Day) following receipt of such notice, each Lender shall pay to the

Administrative Agent its Commitment Percentage of the payment then due from the Relevant Borrower in the same manner as provided in Section 2.03(a) with respect to Revolving Credit Loans made by such Lender, and the Administrative Agent shall promptly pay to the Issuer the amounts so received by it from the Lenders. Any amount due from a Lender pursuant to the preceding sentence but not timely paid shall accrue interest for the account of the Issuer at a rate per annum equal to the Federal Funds Effective Rate for the first three days and thereafter at a rate of interest equal to the rate applicable to the Base Rate Portion. Promptly following receipt by the Administrative Agent of any payment from the Relevant Borrower pursuant to this paragraph, the Administrative Agent shall distribute such payment to the Issuer or, to the extent that Lenders have made payments pursuant to this paragraph to reimburse the Issuer, then to such Lenders and the Issuer as their interests may appear. Any payment made by a Lender pursuant to this paragraph to reimburse the Issuer for any LC Disbursement (other than the funding of Revolving Credit Loans as contemplated above) shall not constitute a Revolving Credit Loan and shall not relieve the Relevant Borrower of its obligation to reimburse such LC Disbursement.

(e) Obligations Absolute. The Relevant Borrower's obligation to reimburse LC Disbursements as provided in clause (d) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the Issuer under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Relevant Borrower's obligations hereunder. Neither the Administrative Agent, the Lenders nor the Issuer, nor any of their respective Affiliates, directors, officers, employees, attorneys or agents, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Issuer; provided that the foregoing shall not be construed to excuse the Issuer from liability to the Relevant Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Relevant Borrower to the extent permitted by applicable law) suffered by the Relevant Borrower that are caused by the Issuer's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit

comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct (including willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of documents strictly complying with the terms and conditions of the Letter of Credit and payment in bad faith of a drawing under a Letter of Credit after the presentation to it by the beneficiary of documents not substantially or reasonably complying with the terms and conditions of the Letter of Credit) on the part of the Issuer (as determined by a non-appealable judgment of a court of competent jurisdiction), the Issuer shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Issuer may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(f) Disbursement Procedures. The Issuer shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The Issuer shall promptly notify the Administrative Agent and the Parent or Relevant Borrower by telephone (confirmed by electronic or facsimile transmission) of such demand for payment and whether the Issuer has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Relevant Borrower of its obligation to reimburse the Issuer and the Lenders with respect to any such LC Disbursement.

(g) Interim Interest. If the Issuer shall make any LC Disbursement, then, unless the Relevant Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Relevant Borrower reimburses such LC Disbursement, at the rate per annum set forth in Section 4.05(b) (except that interest on amounts timely paid pursuant to Section 2.11(d) shall bear interest at such rate minus two percent (2%) per annum). Interest accrued pursuant to this paragraph shall be for the account of the Issuer, except that interest accrued on and after the date of payment by any Lender pursuant to clause (e) of this Section to reimburse the Issuer shall be for the account of such Lender to the extent of such payment.

(h) Replacement of an Issuer. Any Issuer may be replaced at any time by written agreement among the Parent, the Administrative Agent and the successor Issuer. The Administrative Agent shall notify the Lenders of any such replacement of an Issuer. At the time any such replacement shall become effective, the Parent shall pay all unpaid fees accrued for the account of the replaced Issuer pursuant to Section 2.05(b). From and after the effective date of any such replacement, (i) the successor Issuer shall be set forth in an updated Schedule IV.B and shall have

all the rights and obligations of an Issuer under this Agreement and the other Loan Documents with respect to Letters of Credit to be issued by it thereafter and (ii) references herein and in the other Loan Documents to the term “Issuer” shall be deemed to refer to such successor or to any previous Issuer, or to such successor and all previous Issuers, as the context shall require. After the replacement of an Issuer hereunder, the replaced Issuer shall remain a party hereto and shall continue to have all the rights and obligations of an Issuer under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(i) Cash Collateralization. If any Event of Default which requires cash collateralization as specified in Section 9.02 shall occur and be continuing, on the Business Day that the Parent receives notice from the Administrative Agent or the Required Lenders demanding the deposit of cash collateral pursuant to this paragraph, the Parent shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Lenders and Issuers, an amount in cash equal to the LC Exposure as of such date plus any accrued and unpaid interest thereon; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Parent or Relevant Borrower described in clause (i) or (j) of Section 9.01. Such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the Obligations. Subject to the express provisions of this Section 2.11(i), the Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Parent’s risk and expense, such deposits shall not bear interest; provided, however, that any deposits so invested shall be invested only in certificates of deposit of the Administrative Agent, direct obligations of, or obligations unconditionally guaranteed by, the United States of America, money market funds rated AAA by S&P or similar investments, in each case having a maturity of no more than thirty (30) days. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Agent to reimburse the Issuer for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held first for the satisfaction of the reimbursement obligations of the Parent and Relevant Borrower for the LC Exposure at such time or, if the maturity of the Loans has been accelerated, shall be held for application to other Obligations held ratably (relative to Commitment Percentage) by the Lenders and thereafter, if the LC Exposure is zero, shall be applied to satisfy other Obligations. If the Parent has provided an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Parent within three Business Days after all Events of Default have been cured or waived.

(j) Additional Issuers. Parent may, at any time and from time to time with the consent of the Administrative Agent (which consent shall not be unreasonably withheld,

conditioned or delayed) and such Lender, designate one or more additional Lenders to act as an Issuer under the terms of this Agreement, subject to reporting requirements reasonably satisfactory to the Administrative Agent with respect to issuances, amendments, extensions and terminations of Letters of Credit by such additional Issuer. Any Lender designated as an issuing bank pursuant to this paragraph (j) shall be set forth in an updated Schedule IV.B and be deemed to be an “Issuer” (in addition to being a Lender) in respect of Letters of Credit issued or to be issued by such Lender, and, with respect to such Letters of Credit, such term shall thereafter apply to such Issuer and such Lender.

ARTICLE III

THE COMPETITIVE BID LOANS

Section 3.01 Competitive Bid Loans. In addition to Revolving Credit Loans, the Parent may, as set forth in this Article III request the Lenders to make offers to make one or more Competitive Bid Loans to the Parent or to an Other Borrower. Each Lender may, but shall have no obligation to, make one or more such offers and, subject to the terms and provisions hereof, the Parent may, but shall have no obligation to, accept any such offers in the manner set forth in this Article III; provided that no Competitive Bid Loan shall be made or requested if the making of such Loan would cause the aggregate Dollar Equivalent Amount of all Loans and LC Exposure outstanding hereunder to exceed the Total Revolving Credit Commitment. Competitive Bid Loans may be Absolute Rate Loans or LIBOR-based Loans (each a “type” of Competitive Bid Loan) and, subject to Section 4.07 hereof, may be in any Designated Currency. Competitive Bid Loans shall be due and payable on the earlier of the Competitive Bid Expiration Date and the applicable Competitive Bid Loan Maturity Date.

Section 3.02 Competitive Bid Loan Procedures.

(a) Competitive Bid Loan Quote Requests. When the Parent wishes to request offers to make Competitive Bid Loans under this Article III, it shall transmit to the Administrative Agent by facsimile transmission, at its Office, a notice (a “Competitive Bid Loan Quote Request”) so as to be received no later than 11:00 a.m. New York time on (x) the fourth Business Day prior to the date of borrowing proposed therein, in the case of a LIBOR Auction or (y) the Business Day next preceding the date of borrowing proposed therein, in the case of an Absolute Rate Auction (or, in any case, such other time as the Parent and Administrative Agent may agree). The Parent may request offers to make Competitive Bid Loans for different Interest Periods in a single notice; provided that the request for each separate Interest Period shall be deemed to be a separate Competitive Bid Loan Quote Request for a separate Competitive Bid Loan (all Competitive Bid Loans proposed to be made at one time herein collectively referred to as a

“Competitive Bid Borrowing”). Each such notice shall be substantially in the form of Exhibit C hereto and in any case shall specify as to each Competitive Bid Borrowing:

(i) the identity of the Relevant Borrower for such Competitive Bid Borrowing;

(ii) the proposed date of such Competitive Bid Borrowing, which shall be a Business Day;

(iii) the currency or currencies in which such Competitive Bid Borrowing is to be made;

(iv) the aggregate amount of such Competitive Bid Borrowing which shall be a Dollar Equivalent Amount of at least \$5,000,000 (or a higher integral multiple of \$1,000,000) (but only to the extent practical in the case of Competitive Bid Loans denominated in a currency other than Dollars), but shall not cause the limits specified in Section 3.01 hereof to be violated;

(v) the duration of the initial Interest Period or Interest Periods applicable thereto, subject to the provisions of the definition of “Interest Period” (including without limitation that no such Interest Period shall end after the Competitive Bid Expiration Date); and

(vi) whether the Competitive Bid Loan Quotes requested are to set forth a LIBOR-based Margin or an Absolute Rate.

No Competitive Bid Loan Request shall be given if such request could result in more than six Competitive Bid Loans being outstanding at any one time unless otherwise permitted by the Administrative Agent.

(b) Invitation for Competitive Bid Loan Quotes. Promptly after receipt of a Competitive Bid Loan Quote Request, the Administrative Agent shall transmit to the Lenders by facsimile transmission notice of such Competitive Bid Loan Request, which notice shall constitute an invitation by the Parent to each Lender to submit Competitive Bid Loan Quotes offering to make Competitive Bid Loans in accordance with such Competitive Bid Loan Quote Request.

(c) Submission and Contents of Competitive Bid Loan Quotes.

(i) Each Lender may submit one or more Competitive Bid Loan Quotes, each containing an offer to make a Competitive Bid Loan in response to any Competitive Bid Loan Quote Request; provided that, if the Parent’s request under Section 3.02(a) hereof specifies more than one Interest Period, such

Lender may make a single submission containing one or more Competitive Bid Loan Quotes for each such Interest Period. Each Competitive Bid Loan Quote must comply with the requirements of this Section 3.02(c) and must be submitted to the Administrative Agent by facsimile transmission at its Office not later than (x) 10:00 a.m. New York time on the third Business Day prior to the proposed date of borrowing, in the case of a LIBOR Auction or (y) 10:00 a.m. New York time on the proposed date of borrowing, in the case of an Absolute Rate Auction (or, in either case upon reasonable notice to the Lenders, such other time and date as the Parent and the Administrative Agent may agree in writing); provided that any Competitive Bid Loan Quote submitted by the Administrative Agent (or an Affiliate of the Administrative Agent) in the capacity of a Lender may be submitted, and may only be submitted, if the Administrative Agent (or such Affiliate) notifies the Parent of the terms of the offer or offers contained therein not later than (x) 9:30 a.m. New York time on the third Business Day prior to the proposed date of borrowing, in the case of a LIBOR Auction or (y) 9:30 a.m. New York time on the proposed date of borrowing, in the case of an Absolute Rate Auction. Subject to Sections 4.07 and 6.01 hereof, any Competitive Bid Loan Quote so made shall be irrevocable except with the written consent of the Administrative Agent given on the written instructions of the Parent.

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

(A) the proposed date of borrowing, the proposed currency and the Interest Period therefor;

(B) the principal amount of the Competitive Bid Loan for which each such offer is being made, which principal amount shall be a Dollar Equivalent Amount of at least \$5,000,000 or a higher integral multiple of \$1,000,000 (but only to the extent practical in the case of Competitive Bid Loans denominated in a currency other than Dollars); provided that the aggregate principal amount of all Competitive Bid Loans for which a Lender submits Competitive Bid Loan Quotes (x) may be greater than, less than or equal to the Revolving Credit Committed Amount of such Lender but (y) may not exceed the principal amount of the Competitive Bid Borrowing for which offers were requested in the related Competitive Bid Loan Quote Request;

(C) in the case of a LIBOR Auction, the margin above (or, if a negative margin is offered, below) the applicable LIBO-Rate (the "LIBOR-based Margin") offered for each such Competitive Bid Loan, expressed as a

percentage (rounded upwards, if necessary, to the nearest 1/10,000th of 1%) to be added to the applicable LIBO-Rate;

(D) in the case of an Absolute Rate Auction, the rate of interest per annum, calculated on the basis of a 360-day year (rounded upwards, if necessary, to the nearest 1/10,000th of 1%) (the "Absolute Rate") offered for each such Competitive Bid Loan; and

(E) the identity of the quoting Lender.

(iii) No Competitive Bid Loan Quote shall contain qualifying, conditional or similar language or propose terms other than or in addition to those set forth in the applicable Competitive Bid Loan Quote Request and, in particular, no Competitive Bid Loan Quote may be conditioned upon acceptance by the Parent of all (or some specified minimum) of the principal amount of the Competitive Bid Loan for which such Competitive Bid Loan Quote is being made, and the Administrative Agent shall disregard any Competitive Bid Loan Quote that contains such language or terms or conditions or that arrives at the Administrative Agent's Office after the time set forth for submission of Competitive Bid Loan Quotes in Section 3.02(c)(i) hereof.

(d) Notice to the Parent. The Administrative Agent shall promptly after 10:00 a.m., New York time, on the last day on which Competitive Bid Loan Quote may be submitted pursuant to Section 3.02(c), notify the Parent by facsimile transmission of the terms (i) of any Competitive Bid Loan Quote submitted by a Lender that is in accordance with Section 3.02(c) hereof and (ii) of any Competitive Bid Loan Quote that amends, modifies or is otherwise inconsistent with a previous Competitive Bid Loan Quote submitted by such Lender with respect to the same Competitive Bid Loan Quote Request. Any such subsequent Competitive Bid Loan Quote shall be disregarded by the Administrative Agent unless such subsequent Competitive Bid Loan Quote is submitted solely to correct a manifest error in such former Competitive Bid Loan Quote. The Administrative Agent's notice to the Parent shall specify (A) the aggregate principal amount of each Competitive Bid Loan for which Competitive Bid Loan Quotes have been received for each Interest Period specified in the related Competitive Bid Loan Quote Request, and (B) the respective principal amounts and LIBOR-based Margins or Absolute Rates, as the case may be, so offered by each Lender, identifying the Lender that made each Competitive Bid Loan Quote.

(e) Acceptance and Notice by the Parent. Not later than one hour after receipt of notice from the Administrative Agent of Competitive Bid Loan Quotes pursuant to Section 3.02(d) (or, in either case upon reasonable prior notice to the Lenders, such other time and date as the Parent and the Administrative Agent may agree), the Parent shall notify the Administrative Agent

by facsimile transmission at its Office of its acceptance or nonacceptance of the Competitive Bid Loan Quotes so notified to it pursuant to Section 3.02(d) hereof (and the failure of the Parent to give such notice by such time shall constitute nonacceptance) and the Administrative Agent shall promptly notify each affected Lender in accordance with Section 3.02(g) hereof. In the case of acceptance, such notice shall specify the aggregate principal amount of Competitive Bid Loan Quotes for each Interest Period that are accepted. The Parent may accept one or more Competitive Bid Loan Quotes in whole or in part (provided that any Competitive Bid Loan Quote accepted in part shall be a Dollar Equivalent Amount of at least \$5,000,000 or a higher integral multiple of \$1,000,000 (but only to the extent practical in the case of Competitive Bid Loans denominated in a currency other than Dollars)); provided that:

(i) the aggregate principal amount of each Competitive Bid Borrowing may not exceed the applicable amount set forth in the related Competitive Bid Loan Quote Request;

(ii) the aggregate principal amount of each Competitive Bid Borrowing shall be a Dollar Equivalent Amount of at least \$5,000,000 (or a higher integral multiple of \$1,000,000) (but only to the extent practical in the case of Competitive Bid Loans denominated in a currency other than Dollars);

(iii) acceptance of offers may be made only in ascending yield order of LIBOR-based Margins or Absolute Rates, as the case may be; and

(iv) the Parent shall not accept any offer where the Administrative Agent has advised the Parent that such offer fails to comply with Section 3.02(c)(ii) hereof or otherwise fails to comply with the requirements of this Agreement.

(f) Allocation by the Administrative Agent. If Competitive Bid Loan Quotes are made by two or more Lenders with the same LIBOR-based Margins or Absolute Rates, as the case may be, for a greater aggregate principal amount than the amount in respect of which Competitive Bid Loan Quotes are accepted for the related Interest Period, the principal amount of Competitive Bid Loans in respect of which such Competitive Bid Loan Quotes are accepted shall be allocated by the Administrative Agent among such Lenders as nearly as possible (in such multiples, not less than \$500,000, as the Administrative Agent may deem appropriate) in proportion to the aggregate principal amount of such offers. If two or more such Competitive Bid Loan Quotes cannot be allocated evenly within the limits set forth in the immediately preceding sentence, the Administrative Agent shall have discretion to allocate a larger share of such Competitive Bid Loans to one or more of the successful Lenders and in making such allocation shall use reasonable efforts to take into account previous allocations of unequal shares to one or more of such Lenders in

connection with other Competitive Bid Loans. Determinations by the Administrative Agent of the amounts of Competitive Bid Loans to be allocated to each such Lender shall be conclusive absent manifest error.

(g) Notice to Lenders. On the date the Parent notifies the Administrative Agent of its acceptance of one or more of the offers made by any Lender or Lenders pursuant to Section 3.02(e) hereof, the Administrative Agent shall (x) not later than 3:00 p.m. New York time on such date, in the case of a LIBOR Auction or (y) as promptly as practicable on such date (but in no event later than 3:00 p.m. New York time), in the case of an Absolute Rate Auction notify each Lender which has made an offer (i) of the aggregate amount of each Competitive Bid Borrowing with respect to which the Parent accepted one or more Competitive Bid Loan Quotes and such Lender's share of such Competitive Bid Borrowing or (ii) that the Parent accepted no offers, such notice to be by facsimile transmission.

(h) Funding of Competitive Bid Loans. Any Lender whose offer to make any Competitive Bid Loan has been accepted shall on the date specified in the related Competitive Bid Loan Quote Request make the proceeds of such Loan available to the Administrative Agent at the Administrative Agent's Office, no later than 12:00 Noon, New York time, in the case of a LIBOR Auction, and 3:00 p.m. New York City time, in the case of an Absolute Rate Auction, in funds immediately available at such Office. The Administrative Agent will make the funds so received available to the Relevant Borrower in funds immediately available.

Section 3.03 Competitive Bid Loan Maturity Dates. The principal amount of each Competitive Bid Loan shall be due and payable on the last day of the applicable Interest Period specified in the related Competitive Bid Loan Quote Request (the "Competitive Bid Loan Maturity Date") and no prepayments of Competitive Bid Loans shall be permitted.

Section 3.04 Interest Rates for Competitive Bid Loans. The outstanding principal amount of each Competitive Bid Loan shall bear interest for each day until due at the following rate or rates per annum:

(i) for each LIBOR-based Loan, a rate per annum (computed on the basis of a year of 360 days and actual days elapsed or, in the case of Loans denominated in U.K. pounds sterling computed on the basis of a year of 365 or 366 days, as the case may be) equal to the LIBOR Rate applicable to the Interest Period therefor plus the LIBOR-based Margin quoted by the Lender making such Loan in the related Competitive Bid Loan Quote submitted in accordance with Section 3.02(c) hereof; and

(ii) for each Absolute Rate Loan, a rate per annum (computed on the basis of a year of 360 days and actual days elapsed) equal to the

Absolute Rate quoted by the Lender making such Loan in the related Competitive Bid Loan Quote submitted in accordance with Section 3.02(c) hereof.

Section 3.05 Competitive Bid Loan Interest Payment Dates. Interest on each Competitive Bid Loan shall be due and payable on the Competitive Bid Loan Maturity Date thereof, and if any Interest Period is longer than three months, also on each third month of such Interest Period. After maturity of any Competitive Bid Loan (by acceleration or otherwise), interest on such Competitive Bid Loan shall be due and payable on demand.

Section 3.06 Competitive Bid Register. The Administrative Agent shall maintain a register for the recordation of the names and addresses of Lenders that have made Competitive Bid Loans and the principal amount of the Competitive Bid Loans owing to each Lender from time to time together with the Competitive Bid Loan Maturity Dates and interest rates applicable to each such Competitive Bid Loan, and other terms applicable thereto (the "Competitive Bid Register"). The Competitive Bid Register shall be available for inspection by the Parent or any Lender, as to its bid only, at any reasonable time and from time to time upon reasonable prior notice.

Section 3.07 Certain Provisions Relating to LIBOR-Based Loans. Each Competitive Bid Loan that is a LIBOR-based Loan shall be subject to the provisions of Section 2.06(d) applicable to Euro-Rate Portions.

ARTICLE IV

PROVISIONS APPLICABLE TO LOANS

Section 4.01 Extension of Revolving Credit Maturity Date and Competitive Bid Expiration Date. The Revolving Credit Maturity Date and the Competitive Bid Expiration Date may be extended at any time for any period at the request of the Parent with the express consent of the Lenders as provided below.

(a) Request for Extension. The Parent may, in a written notice to the Administrative Agent, request (an "Extension Request") that the Revolving Credit Maturity Date be extended for a period of 364 days; provided such Extension Request is delivered to the Administrative Agent at least 30 days, but no more than 90 days, prior to any anniversary of the Closing Date. The Parent may only submit a total of two Extension Requests to the Administrative Agent. The Administrative Agent shall promptly inform the Lenders of such Extension Request. Each Lender that agrees with such Extension Request shall deliver to the Administrative Agent its express written consent thereto no later than 15 days after the date of such Extension Request. Each Lender shall have the right to withhold such consent in its sole discretion.

(b) Replacement Lenders. If the Requisite Extending Lenders have expressly consented in writing to any such Extension Request as provided in Section 4.01(a), then the Administrative Agent shall so notify the Parent and the Parent, at its option, may replace any Lender which has not agreed to such Extension Request (a “Nonextending Lender”) with another financial institution (which may be a Lender) which agrees to such extension and is reasonably satisfactory to the Administrative Agent, the Swingline Lenders and the Issuers (a “Replacement Lender”) by giving (not later than 90 days after the date of the Extension Request) notice of the name of such Replacement Lender to the Administrative Agent, the Swingline Lenders and the Issuers. Unless the Administrative Agent, an Issuer or any Swingline Lender shall object to the identity of such proposed Replacement Lender prior to the date 100 days after the date of the Extension Request, upon notice from the Administrative Agent, such Nonextending Lender shall, upon payment in full in cash to it of all amounts owed to it hereunder and under the other Loan Documents, including all amounts owed under Section 4.08(c) hereof, assign all of its interests hereunder and under the other Loan Documents to such Replacement Lender and such Replacement Lender shall assume all of such Nonextending Lender’s obligations hereunder and under the other Loan Documents in accordance with the provisions of Section 12.14(c) hereof.

(c) Extension.

(i) If the Requisite Extending Lenders shall have consented to any such Extension Request, then as of 5:00 p.m. New York time on the date which is 20 days after the date of such Extension Request the Revolving Credit Maturity Date shall be deemed to have been extended until, and shall be, the date specified in the Extension Request, and if the Revolving Credit Maturity Date is so extended, the Competitive Bid Expiration Date and the Letter of Credit Maturity Date (as such dates may have been previously extended pursuant to this Section) shall be deemed to have been extended for the same period. Under all other circumstances neither the Revolving Credit Maturity Date, the Competitive Bid Expiration Date nor the Letter of Credit Maturity Date shall be extended. Notwithstanding anything herein to the contrary, in no event shall any such extension of the Revolving Credit Maturity Date be effective as to any Nonextending Lender. To the extent that any Nonextending Lender has not theretofore been replaced as described above, then on the Revolving Credit Maturity Date which is applicable to such Nonextending Lender (i.e., the Revolving Credit Maturity Date determined without giving effect to any extension thereof to which such Nonextending Lender has not consented), (i) the Parent (or, as applicable, Other Borrowers) shall make payment in full in cash to such Nonextending Lender of all amounts owed to it hereunder and under the other Loan Documents, including all amounts owed under Section 4.08(c) hereof, (ii) if the conditions set forth in Section 6.02 are then satisfied, the participation of such Nonextending Lender in all Letters of Credit shall terminate

and each extending Lender shall be deemed to have acquired its pro rata (relative to Commitment Percentage) share of such participation and shall thereafter be liable to the Issuer in respect thereof and (iii) if the conditions set forth in Section 6.02 are not then satisfied, the Parent shall deposit with the Administrative Agent for the account of the Nonextending Lender cash in the amount of such Nonextending Lender's LC Exposure, which shall be held on the terms of Section 2.11(i); provided that (A) amounts so deposited and interest thereon shall be applied exclusively to amounts for which such Nonextending Lender is or becomes liable to an Issuer pursuant to Section 2.11(d) and (B) at such time as the LC Exposure of the Nonextending Lender is zero, all such amounts shall be refunded to the Parent.

(ii) Notwithstanding the foregoing, the Revolving Credit Maturity Date and the Commitment Termination Date (without taking into consideration any extension pursuant to this Section 4.01(c)), as such terms are used in reference to any Swingline Lender or any Swingline Loans made by such Swingline Lender, may not be extended without the prior written consent of such Swingline Lender (it being understood and agreed that, in the event such Swingline Lender shall not have consented to any such extension, (A) such Swingline Lender shall continue to have all the rights and obligations of the Swingline Lenders, as applicable, hereunder through the Revolving Credit Maturity Date in effect prior to giving effect to any extension pursuant to this Section 4.01(c) and thereafter shall have no obligation to make any Swingline Loan, and (B) the Borrowers shall repay all Swingline Loans, and all accrued interest thereon, made by any Swingline Lender that shall not have consented to such extension no later than the day on which such Swingline Loans would have been required to have been repaid in accordance with the terms hereof without giving effect to any effectiveness of the extension of the Revolving Credit Maturity Date pursuant to this paragraph (and, in any event, no later than the Revolving Credit Maturity Date)).

Section 4.02 Calculation of Dollar Equivalent Amounts.

(a) Calculation Upon Making and Repayment of Loans. Upon each issuance of a Letter of Credit, Modification of a Letter of Credit which changes the undrawn face amount thereof and each making and repayment of a Revolving Credit Loan or a Competitive Bid Loan, in each case denominated in a currency other than Dollars, the Administrative Agent shall calculate the Dollar Equivalent Amount of the applicable LC Exposure or Loan.

(b) Recalculation of Dollar Equivalent Amounts. In determining the aggregate Dollar Equivalent Amount of all LC Exposure and Loans outstanding and proposed to be outstanding, the Administrative Agent may (i) use the respective Dollar Equivalent Amounts for

LC Exposure and Loans calculated by it pursuant to clause (a) of this Section and (ii) recalculate the Dollar Equivalent Amounts of the LC Exposure and each outstanding Loan as frequently as it determines to do so in its discretion; provided that in any event, such recalculation shall be made for the LC Exposure and all Loans no less frequently than once each week during any period when the aggregate Dollar Equivalent Amount of the LC Exposure and Loans outstanding exceeds 90% of the Total Revolving Credit Commitment. The Administrative Agent shall recalculate the Dollar Equivalent Amount of the LC Exposure and each outstanding Revolving Credit Loan and Competitive Bid Loan at the Parent's request made no earlier than one month after the Parent's most recent such request.

Section 4.03 Mandatory Prepayments. In the event that for any reason other than fluctuations in currency exchange rates the aggregate Dollar Equivalent Amount of the outstanding Loans and LC Exposure exceeds at any time 100% of the Total Revolving Credit Commitment as then in effect, the Borrowers shall prepay outstanding Loans (subject to Section 4.08(c) hereof) and/or cash collateralize Letters of Credit (in the manner set forth in Section 2.11(i)) as selected by the Parent in an amount necessary to reduce the aggregate Dollar Equivalent Amount of the outstanding Loans and Letters of Credit which are not cash-collateralized to an amount which does not exceed the Total Revolving Credit Commitment. If the Parent elects to prepay, or cause the prepayment of, Loans in order to comply with the requirements of this Section 4.03, such prepayment shall be made to the Lenders Pro Rata.

In the event that for any reason (including fluctuations in currency exchange rates) the aggregate Dollar Equivalent Amount of the outstanding Loans and LC Exposure at any time exceeds 105% of the Total Revolving Credit Commitment as then in effect, the Borrowers shall prepay outstanding Loans (subject to Section 4.08(c) hereof) and/or cash collateralize Letters of Credit (in the manner set forth in Section 2.11(i)) as selected by the Parent in an amount necessary to reduce the aggregate Dollar Equivalent Amount of the outstanding Loans and Letters of Credit which are not cash-collateralized to an amount which does not exceed the Total Revolving Credit Commitment. If the Parent elects to prepay, or cause the prepayment of, Loans in order to comply with the requirements of this Section 4.03, such prepayment shall be made to the Lenders Pro Rata.

Section 4.04 Prepayment Procedures. Whenever any Borrower desires or is required to prepay any part of its Loans, the Parent shall provide not less than one Business Day's prior written notice to the Administrative Agent at its Office setting forth the following information:

- (a) the identity of the Relevant Borrower;

- (b) the type of Loans to be prepaid and the identity of the portions of such Loans to be prepaid; and

(c) the date, which shall be a Business Day, on which the proposed prepayment is to be made.

Section 4.05 Payments Generally; Interest on Overdue Amounts.

(a) Payments Generally. All payments and prepayments to be made by the Parent or any Other Borrower in respect of principal, interest, fees, reimbursement of LC Disbursements, indemnity, expenses or other amounts due from the Parent or any Other Borrower hereunder or under any Loan Document in Dollars shall be payable by 12:00 Noon, New York time, on the day when due without presentment, demand, protest or notice of any kind (other than notice of acceleration as required by Section 9.02 hereof), all of which are hereby expressly waived, without set-off, counterclaim, withholding or other deduction of any kind or nature, except for payments to a Lender subject to a withholding deduction under Section 4.09 hereof. Except for payments to be made directly to an Issuer or a Swingline Lender as expressly provided herein and payments under Sections 4.08, 4.09 and 12.06 hereof, such payments shall be made to the Administrative Agent at its Office in Dollars in funds immediately available at such Office, and payments under Sections 4.08, 4.09 and 12.06 hereof shall be made to the applicable Lender at such domestic account as it shall specify to the Parent from time to time in funds immediately available at such account.

All payments and prepayments to be made by the Parent or any Other Borrower in respect of principal, interest, reimbursement of LC Disbursements or other amounts due from any Borrower hereunder or under any Loan Document in a currency other than Dollars shall be made by payment in that currency in freely transferable funds by 12:00 Noon, New York time, for value on the applicable payment date and such payment shall be due without presentment, demand, protest or notice of any kind (other than notice of acceleration as required by Section 9.02 hereof), all of which are hereby expressly waived, without set-off, counterclaim, withholding or other deduction of any kind or nature, except for payments to a Lender subject to a withholding deduction under Section 4.09 hereof. Except for payments to be made directly to an Issuer as expressly provided herein and payments under Sections 4.08, 4.09 and 12.06 hereof, such payments shall be made to the Administrative Agent at the Administrative Agent's Office. Any payment or prepayment received by the Administrative Agent after 12:00 Noon, New York time on any day shall be deemed to have been received on the next succeeding Business Day.

All payments to be made by a Lender under Section 4.05(c)(i) shall be made to the Administrative Agent at its Office without set-off, withholding, counterclaim or other deduction of any nature.

All payments hereunder of (i) principal or interest in respect of any Loan shall be made in the currency in which such Loan is denominated, (ii) reimbursement obligations (and interest in respect of reimbursement obligations) shall be made in the currency in which the Letter

of Credit in respect of which such reimbursement obligation exists was denominated or (iii) any other amount due hereunder or under another Loan Document shall be made in Dollars. The Administrative Agent shall distribute to the Lenders all payments received by it for the account of the Lenders from any Borrower as promptly as practicable after receipt by the Administrative Agent. Except as expressly contemplated by Section 4.01(c), all payments on account of Revolving Credit Loans shall be distributed to the Lenders Pro Rata. If and to the extent that the Administrative Agent has not forwarded to any Lender such Lender's share of any such payment on the same Business Day as such payment is received (or deemed received) from such Borrower, the Administrative Agent shall pay to such Lender interest on such amount at the Federal Funds Effective Rate for each day until such payment is made.

Upon termination of this Agreement and the expiration or cancellation of all Letters of Credit and payment in full in cash of all principal, interest, reimbursement amounts, fees, expenses and other amounts due from the Borrowers hereunder or under any other Loan Document, each Lender will promptly mark any Notes "cancelled" and forward them to the Administrative Agent for delivery to the Parent.

(b) Interest on Overdue Amounts. To the extent permitted by Law, after there shall have become due (by acceleration or otherwise) principal, interest, fees, obligations with respect to LC Disbursements, indemnity, expenses or any other amounts due from any Borrower hereunder or under any other Loan Document, such amounts shall bear interest for each day until paid (before and after judgment), payable on demand, at a rate per annum based on a year of 360 days and actual days elapsed which for each day shall be equal to the following:

(i) in the case of any part of the Euro-Rate Portion or CDOR Portion of any Revolving Credit Loans or of Competitive Bid Loans, (A) until the end of the applicable then-current Funding Period or until regularly scheduled maturity, as the case may be, at a rate per annum 2% above the rate otherwise applicable to such part, and (B) thereafter in accordance with the following clause (ii); and

(ii) in the case of any other amount due from any Borrower hereunder or under any Loan Document, (A) 2% above the then current Base Rate, in the case of Loans or other amounts denominated in Dollars or (B) 2% above the rate then borne by overnight deposit in the applicable currency in the eurocurrency market as determined by the Administrative Agent, in the case of Revolving Credit Loans, Competitive Bid Loans or other amounts denominated in a currency other than Dollars.

(c) Administrative Agent's Clawback.

(i) Funding by Lenders; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender (x) in the case of Base Rate Loans, one hour prior to the proposed time of the Borrowing and (y) otherwise, prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with this Agreement and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount, with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of a payment to be made by such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, and (ii) in the case of a payment to be made by the Borrower, the rate determined by reference to the applicable interest rate Option for such Borrowing. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(ii) Payments by Borrower; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuers hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuers, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or the Issuers, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuer, with interest thereon, for each day from and including the date such amount was distributed to it to but excluding the date of payment to the

Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

Section 4.06 Availability of Currencies.

(a) Unavailability. If, in the reasonable judgment of the Administrative Agent, a Designated Currency ceases to be available and freely tradable in the eurocurrency market then such currency shall cease to be a Designated Currency hereunder. The Administrative Agent shall give prompt notice to the Parent and the Lenders of any such determination.

(b) Repayment in Dollars. In the event that (i) pursuant to Section 4.06(a), the Administrative Agent has determined that a Designated Currency has ceased to be available and freely tradable in the eurocurrency market and (ii) the Administrative Agent has determined in good faith that such Designated Currency is not otherwise available to the Parent or any Other Borrower, then, on the date any Loans or amounts in respect of a Letter of Credit denominated in such Designated Currency would become due under the terms of this Agreement (other than as a result of an optional prepayment or of the acceleration of the Loans under Section 9.02), the Relevant Borrower may repay such Loans (or other amounts) by paying to each Lender an amount in Dollars equal to the amount determined in good faith by such Lender (which determination shall be conclusive absent manifest error) to be the amount in Dollars necessary to compensate such Lender for the principal of and accrued interest on such Loans (or other amounts) and any additional cost, expense or loss incurred by such Lender as a result of such Loans or other amounts being repaid in Dollars (rather than in their denominated currency).

Section 4.07 Changes in Law Rendering Certain Loans Unlawful. In the event that any Law or guideline or interpretation or application thereof shall at any time make it unlawful for any Lender to make, maintain or fund its Loans or its Letter of Credit or Swingline Loan participations, such Lender shall promptly notify the Parent and the Administrative Agent thereof. Thereupon, the Relevant Borrower shall, subject to Section 4.08(c), if such Lender so requests, on such date as may be required by the relevant Law, guideline, interpretation or application, prepay such Loans. Each Lender shall take actions of the type referred to in Section 4.10, if such actions would avoid such circumstances and would not in the good faith judgment of such Lender be disadvantageous in any way to such Lender or its Affiliates at such time or in the future. No Lender shall be obligated to make any extension of credit hereunder in violation of any applicable law.

Section 4.08 Additional Compensation in Certain Circumstances.

(a) Increased Costs or Reduced Return Resulting From Taxes, Reserves, Capital Adequacy Requirements, Expenses, Etc. If any Law or change therein or interpretation or application thereof by any Governmental Authority charged with the interpretation or administration

thereof or compliance with any request or directive of any Governmental Authority (whether or not having the force of Law), in each case adopted or made after the date hereof (or, with respect to any Other Borrower, adopted or made at any time); provided, however, that for purposes of this Section 4.08, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act or any change therein or interpretation or application thereof by any Governmental Authority charged with the interpretation or administration thereof or compliance with any related request or directive of any Governmental Authority (whether or not having the force of Law) and (y) any requests or directives promulgated by, or the interpretations or applications thereof by the Bank for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall be deemed to have been adopted or made after the date hereof:

(i) subjects any Lender or Issuer or any Notional Funding Office to any Tax with respect to this Agreement, the Notes, the Loans, the Letters of Credit or payments by any Borrower of principal, interest, Commitment Fees or other amounts due from any Borrower hereunder or under the Notes, or other obligations, its deposits, reserves, other liabilities or capital attributable thereto (except for (A) Indemnified Taxes or (B) Excluded Taxes),

(ii) imposes, modifies or deems applicable any reserve, special deposit or similar requirement or imposes any other condition adversely affecting the cost to a Lender or Issuer or Notional Funding Office of making, maintaining or funding any Loan or issuing any Letter of Credit or acquiring or maintaining a participation in any Letter of Credit hereunder (other than requirements expressly included herein in the determination of interest under the Euro-Rate Option), or

(iii) imposes, modifies or deems applicable any capital adequacy or liquidity or similar requirement (A) against assets (funded or contingent) of, or credits or commitments to extend credit extended by, any Lender, any Issuer or any Notional Funding Office hereunder, or any Person controlling a Lender or an Issuer, or (B) otherwise applicable to the obligations of any Lender, any Issuer or any Notional Funding Office under this Agreement, or any Person controlling a Lender or an Issuer.

and the result of any of the foregoing is reasonably determined by any Lender or Issuer to increase the cost to, reduce the income receivable by, or impose any expense (including loss of margin) upon such Lender or Issuer, any Notional Funding Office or, in the case of clause (iii) hereof, any Person controlling a Lender or Issuer, with respect to this Agreement, the Notes or the making, maintenance or funding of any Loan or the issuing of any Letter of Credit or the acquiring or maintaining of a

participation in any Letter of Credit (or, in the case of any capital adequacy or similar requirement, to have the effect of reducing the rate of return on such Lender's, Issuer's or controlling Person's capital, taking into consideration such Lender's, Issuer's or controlling Person's policies with respect to capital adequacy or similar requirement) by an amount which such Lender or Issuer reasonably deems to be material, such Lender or Issuer may from time to time promptly notify the Parent of the amount determined in good faith (using any reasonable averaging and attribution methods) by such Lender or Issuer (which determination shall be conclusive absent manifest error) to be necessary to compensate such Lender or Issuer or such Notional Funding Office or controlling Person for such increase, reduction or imposition. Each Lender and Issuer will furnish the Parent and the Administrative Agent with a statement setting forth in reasonable detail the basis, the manner of calculation and the amount of each request by such Lender or Issuer for compensation from the Parent under this Section 4.08. Such amount shall be due and payable by the Parent to such Lender or Issuer five Business Days after such notice is given; provided that the Parent shall not be obligated to pay such compensation unless such Lender or Issuer in such notice certifies its good faith determination that it shall be generally assessing such amounts against borrowers under agreements having provisions similar to this paragraph. Notwithstanding the foregoing, the Parent will not be required to reimburse any Lender or Issuer for any such increase, reduction or imposition under this Section 4.08 (a) that (i) arises prior to 120 days preceding the date of such Lender's or Issuer's request for compensation under this Section 4.08(a), unless the applicable Law, guideline, change, interpretation or application is imposed retroactively or (ii) if the applicable Law, guideline, change, interpretation or application is imposed retroactively, arises prior to 120 days preceding the later of the date the Lender or Issuer reasonably should have learned of such Law, guideline, change, interpretation or application and the date of such Lender's or Issuer's request.

Each Lender will take actions of the type referred to in Section 4.10, if such actions would avoid the conditions referred to in clause (i), (ii) and (iii) of this Section 4.08(a) and would not in the good faith judgment of such Lender be disadvantageous in any way to such Lender or its Affiliates at such time or in the future.

If a Lender requests reimbursement under this Section 4.08(a), so long as the circumstances giving rise to such request continue to exist, the Parent at its option, and at the sole cost and expense of the Borrowers, may replace such Lender with another Lender or a financial institution reasonably satisfactory to the Administrative Agent, each Issuer and each Swingline Lender by giving notice of such replacement Lender to such Lender and the Administrative Agent. Unless the Administrative Agent, any Issuer or any Swingline Lender shall object to the identity of such proposed replacement Lender within 10 days after receipt of such notice, the Lender being so replaced shall, upon payment in full in cash to it of all amounts owed to it hereunder and under the other Loan Documents, including all amounts owed under Section 4.08(c) hereof, assign all of its interests hereunder and under the other Loan Documents to such replacement Lender and such

replacement Lender shall assume all of such other Lender's obligations hereunder and under the other Loan Documents in accordance with the provisions of Section 12.14(c) hereof.

(b) Additional Reserve Costs. For so long as any Lender is required to make special deposits with the European Central Bank, the Bank of England and/or The Financial Services Authority (or, in either case, any other authority which replaces all or any of its functions) or comply with reserve assets, liquidity, cash margin or other requirements of the European Central Bank, the Bank of England and/or The Financial Services Authority (or, in any case, any other authority which replaces all or any of its functions), to maintain reserve asset ratios or to pay fees, in each case in respect of the Euro-Rate Portion of such Lender's Revolving Loans, such Lender shall be entitled to require the Relevant Borrower to pay, contemporaneously with each payment of interest on each of such Revolving Loans, additional interest on such Revolving Loan at a rate per annum equal to the Mandatory Costs Rate calculated in accordance with the formula and in the manner set forth in Schedule V hereto. Any additional interest owed pursuant to this Section 4.08(b) shall be determined in reasonable detail by the applicable Lender, which determination shall be conclusive and binding absent manifest error, and notified to the Relevant Borrower (with a copy to the Administrative Agent) at least five Business Days before each date on which interest is payable for the applicable Loan, and such additional interest so notified to the Relevant Borrower by such Lender shall be payable to the Administrative Agent for the account of such Lender on each date on which interest is payable for such Loan.

(c) Funding Breakage. If any repayment of principal with respect to any part of any Funding Segment of any Euro-Rate Portion or CDOR Portion of the Loans (other than Swingline Loans) is made on a day other than on the last day of the corresponding Funding Period, or any prepayment of principal with respect to any Competitive Bid Loan is made, as a result of an acceleration of the maturity thereof pursuant to Section 9.02 or for any other reason, or if any Borrower fails to borrow after giving notice of borrowing, the Parent shall reimburse each Lender on demand for any loss incurred by such Lender as a result of the timing of such payment, prepayment or failure, including (without limitation) any loss incurred in liquidating or employing deposits from third parties but excluding loss of margin for the period after such payment, prepayment or failure; provided that such Lender shall have delivered to the Parent a certificate setting forth the basis for determining such loss, which certificate shall be conclusive in the absence of manifest error.

Section 4.09 Taxes.

(a) Payments Free of Taxes. Unless required by Law, all payments made by or on account of any obligation of the Borrowers under this Agreement and any other Loan Document shall be made free and clear of and without deduction for any and all taxes, levies, imposts, deductions, charges or withholdings, and all interest, additions to tax or penalties with respect thereto or similar charges imposed by a Governmental Authority ("Taxes"). If any

Withholding Agent shall be required by Law to deduct any Taxes from or in respect of any sum payable under this Agreement or any other Loan Document to any Lender, any Issuer or the Administrative Agent, then (i) if such Taxes are Indemnified Taxes, the sum payable by the applicable Borrowers shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 4.09) such Lender, such Issuer or the Administrative Agent, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made, (ii) the applicable Withholding Agent shall make such deductions or withholding, and (iii) the applicable Withholding Agent shall pay the full amount deducted to the relevant Governmental Authority or other authority in accordance with applicable Law.

(b) Other Taxes. In addition, each Borrower agrees to timely pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies which arise from any payment made under this Agreement or any other Loan Document or from the execution, delivery or registration of, or otherwise with respect to, this Agreement or any other Loan Document, except any such taxes that are imposed with respect to an assignment (other than an assignment made or other action taken at the request of the Parent) ("Other Taxes"), or at the option of the Administrative Agent, timely reimburse it for such taxes.

(c) Indemnity by the Parent. The Parent will indemnify each Lender and Issuer and the Administrative Agent for the full amount of Taxes (other than Excluded Taxes) imposed on or with respect to any payment made by or on account of any obligation of the Parent and the Other Borrowers under any Loan Document and Other Taxes (including, without limitation, any Taxes and Other Taxes imposed by any jurisdiction on amounts payable under this Section 4.09) paid or payable by such Lender or Issuer or Administrative Agent, as the case may be, and any liability (including, without limitation, penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted (referred to herein as "Indemnified Taxes"). The Administrative Agent and each Issuer and Lender agree to give notice to the Parent of the assertion of any claim against the Administrative Agent or such Issuer or Lender relating to such Taxes or Other Taxes as promptly as is practicable after being notified of such assertion; provided that the Administrative Agent's or such Issuer's or Lender's failure to notify the Parent promptly of such assertion shall not relieve the Parent of its obligations under this Section 4.09 except to the extent that the Parent is actually prejudiced thereby. Payments by the Parent pursuant to this indemnification shall be made within 30 days from the date the Administrative Agent or such Issuer or Lender makes written demand therefor (submitted through the Administrative Agent), which demand shall be accompanied by a certificate describing in reasonable detail the basis therefor, which certificate shall be conclusive absent manifest error.

(d) Lender Indemnity. Each Lender shall severally indemnify the Administrative Agent for any Taxes (but only to the extent that the Parent has not already indemnified

the Administrative Agent for such Taxes and without limiting the obligation of the Parent to do so) attributable to such Lender that are paid or payable by the Administrative Agent in connection with any Loan Document and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. The indemnity under this Section 4.09(d) shall be paid within 10 days after the Administrative Agent delivers to the applicable Lender a certificate stating the amount of Taxes so paid or payable by the Administrative Agent. Such certificate shall be conclusive of the amount so paid or payable absent manifest error.

(e) Receipts, etc. Within 30 days after the date of any payment of Taxes or Other Taxes, the Parent will furnish to the Administrative Agent the original or a certified copy of a receipt evidencing payment thereof, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(f) Other. Nothing in this Section 4.09 (including, for the avoidance of doubt, Section 4.09(i)) or otherwise in this Agreement shall require the Administrative Agent, any Lender or any Issuer to disclose to any other party to this Agreement any of its tax returns (or any other information that it deems to be confidential or proprietary).

(g) Withholding Tax Exemption.

(i) Each Lender or Issuer shall, (1) on or about the date such Lender or such Issuer becomes party to this Agreement, and (2) from time to time thereafter if, in each case of (1) and (2), reasonably requested in writing by the Parent or the Administrative Agent, as promptly as is reasonable provide the Administrative Agent and the Parent with the executed original forms prescribed by the United States Internal Revenue Service or other relevant Governmental Authority certifying as to the status of such Lender or such Issuer for purposes of determining exemption from, or reduced rate applicable to, withholding taxes with respect to payments to be made to such Lender or such Issuer under this Agreement and the other Loan Documents.

(ii) Without limiting the generality of the foregoing,

(A) If a payment made to a Lender or Issuer under this Agreement or any other Loan Documents would be subject to United States Federal withholding tax imposed by FATCA if such Lender or such Issuer fails to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender or such Issuer shall deliver to the Administrative Agent and the Parent on or about the date such Lender or such Issuer becomes party to this Agreement, at the time or times prescribed

by law and at such time or times reasonably requested by the Administrative Agent or the Parent, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Administrative Agent or the Parent as may be necessary for such party to comply with its obligations under FATCA, to determine that such Lender or such Issuer has complied with its obligations under FATCA or to determine the amount to deduct and withhold from such payment; solely for purposes of this clause (g), “FATCA” shall include any amendments made to FATCA after the date of this Agreement;

(B) Any Lender or Issuer, if reasonably requested by the Administrative Agent or the Parent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Administrative Agent or the Parent as will enable the Administrative Agent or the Parent to determine whether or not such Lender or such Issuer is subject to backup withholding or information reporting requirements;

(C) Each Lender that is a “United States person” within the meaning of Section 7701(a)(30) of the Code shall deliver to the Administrative Agent and the Parent on or prior to the date on which such Lender becomes a Lender under this Agreement or when reasonably requested by the Administrative Agent or the Parent, executed originals of IRS Form W-9 (or any successor form) certifying that such Lender is exempt from U.S. federal backup withholding tax; and

(D) Each lender that is not a “United States person” within the meaning of Section 7701(a)(30) of the Code shall deliver to the Administrative Agent and the Parent on or prior to the date on which such Lender becomes a Lender under this Agreement or when reasonably requested by the Administrative Agent or the Parent, executed originals of any applicable IRS Form W-8;

provided that a Lender or Issuer shall not be obligated to provide any such form specified in clause (i) or (ii) if such Lender or such Issuer is not legally able to do so. Each Lender and Issuer agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Administrative Agent and the Parent in writing of its legal inability to do so.

(h) Excluded Taxes. Excluded Taxes shall mean any of the following Taxes imposed on or with respect to the Administrative Agent, any Lender or an Issuer or required to be withheld from a payment to such Person:

(i) Any Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes imposed on such Lender, such Issuer or the Administrative Agent, as the case may be, (A) by the jurisdiction under the laws of which such Lender or the Administrative Agent, as the case may be, is organized or by any political subdivision thereof or imposed as a result of a Lender having its principal office or applicable lending office or Notional Funding Office in the Jurisdiction imposing the Tax, or (B) as a result of a present or former connection between such Lender, such Issuer or the Administrative Agent and the jurisdiction imposing such Tax (other than connections arising from such Lender, Administrative Agent or such Issuer having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document)

(ii) In the case of each Lender or Issuer, any United States federal withholding Taxes, to the extent that such withholding is imposed on amounts payable to or for the account of such Lender or such Issuer with respect to a Loan, Letter of Credit or Commitment pursuant to a law that existed on the date such Lender or such Issuer became a party to this Agreement (including FATCA) or on the date such Lender or such Issuer changes its lending office or Notional Funding Office; provided that this clause (ii) shall not apply to a Lender or Issuer that became a Lender or Issuer as a result of an assignment made or other action taken at the request of the Parent, or

(iii) Any Taxes to the extent that the obligation to make such indemnification or to pay such additional amounts would not have arisen but for gross negligence, willful misconduct or bad faith of such Lender or such Issuer or the failure of such Lender or such Issuer to comply with the provisions of Section 4.09(g).

(i) Refunds. If any party determines in its sole discretion exercised in good faith that it has received a refund in respect of any Taxes or Other Taxes as to which it has been indemnified pursuant to this Section 4.09 or with respect to which a Borrower has paid additional amounts, pursuant to this Section 4.09, such party shall promptly after the date of such receipt pay over the amount of such refund to the indemnifying party (but only to the extent of

indemnity payments made, or additional amounts paid, by the indemnifying party under this Section 4.09 with respect to the Taxes or Other Taxes giving rise to such refund and only to the extent that the amount of any such refund is directly attributable to payments made under this Agreement), net of all reasonable expenses of such party (including additional Taxes and Other Taxes attributable to such refund, as determined by such party) and without interest (other than interest, if any, paid by the relevant Governmental Authority with respect to such refund). The indemnifying party shall, upon demand, pay to such indemnified party any amount paid over to the indemnifying party by such indemnified party (plus penalties, interest or other charges imposed by such Governmental Authority) in the event such indemnified party is required to repay any portion of such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (i), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (i) the payment of which would place the indemnified party in a less favorable net after-tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid.

(j) Cure Action. Each Lender and Issuer agrees to take actions of the type referred to in Section 4.10, if such actions would avoid or reduce payments under this Section 4.09 and would not, in the good faith judgment of such Lender or such Issuer, be disadvantageous in any way to such Lender or such Issuer or its Affiliates at such time or in the future. If a Lender requests reimbursement under this Section 4.09, so long as the circumstances giving rise to such request continue to exist, the Parent at its option, and at the sole cost and expense of the Borrowers, may replace such Lender with another Lender or a financial institution reasonably satisfactory to the Administrative Agent by giving notice of such replacement Lender to such Lender and the Administrative Agent. Unless the Administrative Agent, any Issuer or any Swingline Lender shall object to the identity of such proposed replacement Lender within 10 days after receipt of such notice, the Lender being so replaced shall, upon payment in full in cash to it of all amounts owed to it hereunder and under the other Loan Documents, including all amounts owed under Sections 4.08(c) and 4.09 hereof, assign all of its interests hereunder and under the other Loan Documents to such replacement Lender and such replacement Lender shall assume all of such other Lender's obligations hereunder and under the other Loan Documents in accordance with the provisions of Section 12.14(c) hereof.

(k) Defined Terms. For purposes of this Section 4.09, the term "Lender" includes any Issuer.

Section 4.10 Funding by Branch, Subsidiary or Affiliate.

(a) Notional Funding. Each Lender shall have the right from time to time, prospectively or retrospectively, without notice to any Borrower, to deem any branch, subsidiary or Affiliate of such Lender to have made, maintained or funded any part of the Loans at any time; provided that if a Lender exercises such right as a matter of administrative convenience and not as required by Law or by this Agreement, then the Parent shall not be required to reimburse the Lender for any increased amounts payable under Section 4.08(a) or 4.09 hereof that result from the exercise of such right. Any branch, subsidiary or Affiliate so deemed shall be known as a “Notional Funding Office.” Such Lender shall deem any part of its Loans or the funding therefor to have been transferred to a different Notional Funding Office if such transfer would avoid or cure an event or condition described in Section 2.06(d)(i)(B) hereof or would lessen compensation payable by any Borrower under Sections 4.08(a) or 4.09 hereof, and would not, in the good faith judgment of such Lender, be disadvantageous in any way to such Lender or its Affiliates at such time or in the future (it being assumed for purposes of such determination that the Loans are actually made or maintained by or funded through the corresponding Notional Funding Office). Notional Funding Offices may be selected by such Lender without regard to such Lender’s actual methods of making, maintaining or funding Loans or any sources of funding actually used by or available to such Lender.

(b) Actual Funding. Each Lender shall have the right from time to time to make or maintain any part of the Loans by arranging for a branch, subsidiary or Affiliate of such Lender to make or maintain such part of the Loans; provided that if a Lender exercises such right as a matter of administrative convenience and not as required by Law or by this Agreement, then the Parent shall not be required to reimburse the Lender for any increased amounts payable under Section 4.08(a) or 4.09 hereof that result from the exercise of such right. Such Lender shall have the right to (i) hold any applicable Note payable to its order for the benefit and account of such branch, subsidiary or Affiliate or (ii) request any Borrower to issue one or more promissory notes in the principal amount of such part, in substantially the form attached hereto as Exhibit A or B, as the case may be, with the blanks appropriately filled, payable to such branch, subsidiary or Affiliate and with appropriate changes reflecting that the holder thereof is not obligated to make any additional Loans to any Borrower. Each Borrower agrees to comply promptly with any request under clause (ii) of this Section 4.10(b). If any Lender causes a branch, subsidiary or Affiliate to make or maintain any part of Loans hereunder, all terms and conditions of this Agreement shall, except where the context clearly requires otherwise, be applicable to such part of the Loans and to any note payable to the order of such branch, subsidiary or Affiliate to the same extent as if such part of the Loans were made or maintained and such note were a Note payable to such Lender’s order.

Section 4.11 Several Obligations. The failure of any Lender to make a Revolving Credit Loan shall not relieve any other Lender of its obligation to lend hereunder, but neither the

Administrative Agent nor any Lender shall be responsible for the failure of any other Lender to make a Revolving Credit Loan.

Section 4.12 Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) Commitment Fees shall cease to accrue on the Revolving Credit Commitment of such Defaulting Lender pursuant to Section 2.05(a).

(b) The Revolving Credit Committed Amount, Loans and LC Exposure of such Defaulting Lender shall not be included in determining whether the Lenders or the Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 12.03); provided that this clause (b) shall not apply for purposes of any amendment, modification or waiver that (i) increases such Defaulting Lender's Revolving Credit Committed Amount or extends the maturity of such Defaulting Lender's Loans or extends its Revolving Credit Commitment, or reduces principal owed with respect thereto or (ii) requires the consent of all Lenders or each Lender affected thereby and treats such Defaulting Lender differently than the other respective Lenders.

(c) If any LC Exposure exists at the time such Lender becomes a Defaulting Lender then:

(i) all or any part of the LC Exposure of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders in accordance with their respective Commitment Percentages (calculated without regard to such Defaulting Lender's Revolving Credit Commitments) but only to the extent that (A) no Event of Default has occurred and is continuing at such time and (B) such reallocation does not cause the Dollar Equivalent Amount of the Revolving Credit Exposure of any non-Defaulting Lender to exceed the Dollar Equivalent Amount of the Revolving Credit Committed Amount of such non-Defaulting Lender (it being understood and agreed that, subject to Section 12.21, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from such Lender having become a Defaulting Lender, including any claim of a non-Defaulting Lender as a result of such non-Defaulting Lender's increased exposure following such reallocation);

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Parent shall within one Business Day following notice by the Administrative Agent cash collateralize for the benefit of the Issuers only the Relevant Borrower's obligations corresponding to such Defaulting Lender's

LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.11(i) for so long as such LC Exposure is outstanding;

(iii) if the Parent cash collateralizes any portion of such Defaulting Lender's LC Exposure pursuant to clause (ii) above, the Parent shall not be required to pay any participation fees to such Defaulting Lender pursuant to Section 2.05(b), and such fees shall not accrue, with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is cash collateralized;

(iv) if any LC Exposure of such non-Defaulting Lender is reallocated pursuant to clause (i) above, then the participation fees payable to the Lenders pursuant to Section 2.05(b) shall be adjusted in accordance with such non-Defaulting Lenders' Commitment Percentages; and

(v) if all or any portion of such Defaulting Lender's LC Exposure is neither reallocated nor cash collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of the Issuers or any other Lender hereunder, all participation fees payable under Section 2.05(b) with respect to such Defaulting Lender's LC Exposure (to the extent neither so reallocated nor cash collateralized) shall be payable to the applicable Issuer or Issuers in respect of the Letters of Credit included in such LC Exposure, pro rata until and to the extent that such LC Exposure is so reallocated and/or cash collateralized.

(d) So long as such Lender is a Defaulting Lender, no Issuers shall be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure and the Defaulting Lender's then outstanding LC Exposure will be 100% covered by the Commitments and the obligations to participate in Letters of Credit of the non-Defaulting Lenders and/or cash collateral will be provided by the Parent in accordance with clauses (i) and (ii) of Section 4.12(c) above.

(e) If any Swingline Exposure exists at the time such Lender becomes a Defaulting Lender, then (i) the Swingline Exposure (other than any portion thereof with respect to which such Defaulting Lender shall have funded its participation as contemplated by Section 2.04(c)) of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders in accordance with their respective Commitment Percentages (calculated without regard to such Defaulting Lender's Commitments) but only to the extent that (A) no Event of Default has occurred and is continuing at such time and (B) such reallocation does not cause the Dollar Equivalent Amount of the Revolving Credit Exposure of any non-Defaulting Lender to exceed the Dollar Equivalent

Amount of the Revolving Credit Committed Amount of such non-Defaulting Lender (it being understood and agreed that, subject to Section 12.21, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from such Lender having become a Defaulting Lender, including any claim of a non-Defaulting Lender as a result of such non-Defaulting Lender's increased exposure following such reallocation); and (ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrowers shall within one Business Day following notice by the Administrative Agent prepay the portion of such Defaulting Lender's Swingline Exposure that has not been reallocated.

(f) So long as such Lender is a Defaulting Lender, no Swingline Lender shall be required to fund any Swingline Loan unless it is satisfied that the related exposure and the Defaulting Lender's then outstanding Swingline Exposure will be fully covered by the Commitments of the non-Defaulting Lenders, and participating interests in any such funded Swingline Loan will be allocated among the non-Defaulting Lenders in a manner consistent with Section 4.12(e)(i) (and such Defaulting Lender shall not participate therein).

(g) If (i) a Bankruptcy Event with respect to a parent entity of which any Lender is a subsidiary shall occur following the date hereof and for so long as such event shall continue or (ii) an Issuer or Swingline Lender has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, then (x) such Issuer shall not be required to issue, amend or increase any Letter of Credit, unless such Issuer shall have entered into arrangements with the Parent or such Lender, satisfactory to such Issuer to defease any risk to it in respect of such Lender hereunder and (y) such Swingline Lender shall not be required to fund any Swingline Loan unless such Swingline Lender shall have entered into arrangements with the Parent or such Lender, satisfactory to such Swingline Lender to defease any risk to it in respect of such Lender hereunder, as applicable.

(h) Any principal, interest, fees or any other amounts payable to or for the account of any Defaulting Lender in its capacity as a Lender hereunder shall, in lieu of being distributed to such Defaulting Lender, be retained by the Administrative Agent in a segregated account and, subject to any applicable requirements of law, (A) be applied, at such time or times as may be determined by the Administrative Agent, (1) first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder, (2) second, pro rata, to the payment of any amounts owing by such Defaulting Lender to the Issuers in respect of such Defaulting Lender's participations in Letters of Credit, (3) third, to the funding of such Defaulting Lender's Commitment Percentage of any borrowing in respect of which such Defaulting Lender shall have failed to fund such share as required hereunder, (4) fourth, to cash collateralize participation obligations of such Defaulting Lender in respect of outstanding Letters of Credit and (B) to the extent not applied as aforesaid, be held, if so determined by the Administrative Agent, as cash collateral for funding obligations of such Defaulting Lender in respect of future Revolving Loans

hereunder, (C) to the extent not applied or held as aforesaid, be applied, pro rata, to the payment of any amounts owing to the Parent or the non-Defaulting Lenders as a result of any judgment of a court of competent jurisdiction obtained by the Parent or any non-Defaulting Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations hereunder and (D) to the extent not applied or held as aforesaid, be distributed to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction.

(i) In the event that the Administrative Agent, the Parent and the Issuers each agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the LC Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment and on such date such Lender shall purchase at par such of the Revolving Credit Loans of the other Lenders as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Commitment Percentage.

(j) So long as such Lender is a Defaulting Lender, the Parent may, at its option, replace such Defaulting Lender with another financial institution (which may be a Lender) reasonably satisfactory to the Administrative Agent by giving notice of such replacement Lender to such Defaulting Lender and the Administrative Agent. Unless the Administrative Agent, any Swingline Lender or any Issuer shall object to the identity of such proposed replacement Lender within 10 days after receipt of such notice, the Defaulting Lender being so replaced shall, upon indefeasible payment in full in cash to it of all amounts owed to it hereunder (which shall include amounts referenced in Section 4.08(c)) and under the other Loan Documents assign all of its interests hereunder and under the Loan Documents to such replacement Lender and such replacement Lender shall assume all of such Defaulting Lender's obligations hereunder and under the other Loan Documents in accordance with the provisions of 12.14(c).

(k) So long as such Lender is a Defaulting Lender and no Event of Default or Potential Event of Default has occurred or exists, the Parent may, at its option, reduce the unused portion of such Defaulting Lender's Commitment without being required to reduce any other Lender's Commitment. Any such reduction shall be effective upon written notice by the Parent to the Administrative Agent.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

As of the date hereof, the Parent hereby represents and warrants to the Administrative Agent and each Lender as follows:

Section 5.01 Financial Statements; No Material Adverse Change. The Parent's audited consolidated balance sheet as of September 30, 2016, and the related statement of consolidated income for the year then ended (copies of which have been furnished to each Lender) are complete and correct in all material respects and present fairly the financial condition of the Parent and its Subsidiaries as of such date and the results of its operations for such year and since such date to the date hereof there has been no material adverse change in such financial condition or operations on a consolidated basis. The Parent's unaudited consolidated balance sheet as of December 31, 2016, and the related statement of consolidated income for the three-month period ended on such date (copies of which have been furnished to each Lender) are complete and correct in all material respects and present fairly the financial condition of the Parent and its Subsidiaries as of such date and the results of its operations for such period (subject to normal year-end audit adjustments and the absence of certain footnotes).

Section 5.02 Litigation. There is no action, suit or administrative proceeding, to the knowledge of the Parent after due inquiry, pending or threatened against the Parent or any of its Subsidiaries as of the date hereof which, in the opinion of the Parent, involves any substantial risk of any material adverse effect on the financial condition or business of the Parent and its Subsidiaries on a consolidated basis.

Section 5.03 Due Organization. The Parent is a corporation and each Initial Other Borrower is (and as of the date it becomes an Other Borrower hereunder, each additional Other Borrower will be) a legal entity, in each case duly organized, validly existing and in good standing under the laws of its jurisdiction of organization.

Section 5.04 Consents and Approvals. The Parent and each Initial Other Borrower has (and as of the date it becomes an Other Borrower hereunder, each additional Other Borrower will have) obtained the necessary material consents and approvals, governmental or otherwise, for its execution and performance under this Agreement.

Section 5.05 Corporate Power, Authorization and Enforceability. The Parent and each Initial Other Borrower has (and as of the date it becomes an Other Borrower hereunder, each additional Other Borrower will have) taken all necessary corporate or other organizational action to authorize its execution and performance under this Agreement such that this Agreement, the Notes and, as applicable, the other Loan Documents constitute valid and legally binding obligations of the Parent and each Other Borrower, subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law).

Section 5.06 ERISA. Parent and each Other Borrower is in compliance in all material respects with all applicable provisions and requirements of ERISA with respect to any

Employee Benefit Plan for which Parent or such Other Borrower is the plan sponsor or a contributing employer, and Parent is not subject to any material liability, penalty, excise tax or Lien arising under ERISA or under the Internal Revenue Code with respect to any Plan which is sponsored by the Parent or any Subsidiary (or to which the Parent or any Subsidiary is obligated to contribute), except to the extent such noncompliance, liability, penalty, excise tax or Lien would not reasonably be expected to result in a Material Adverse Effect.

Section 5.07 No Conflict. Neither the execution and delivery by the Parent or, as applicable, the Other Borrowers of the Loan Documents, nor the consummation of the transactions therein contemplated, nor compliance by the Parent or, as applicable, the Other Borrowers with the provisions thereof will violate (a) to the best of the Parent's knowledge after due inquiry, any material law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the Parent or any of its Subsidiaries, (b) the Parent's or any Subsidiary's articles or certificate of incorporation, partnership agreement, certificate of partnership, articles or certificate of organization, by-laws, or operating or other management agreement, as the case may be, or (c) to the best of the Parent's knowledge after due inquiry, the provisions of any material indenture, instrument or agreement to which the Parent or any of its Subsidiaries is a party or is subject, or by which it, or its property, is bound, or conflict with or constitute a default thereunder, or result in, or require, the creation or imposition of any lien in, of or on the property of the Parent or a Subsidiary pursuant to the terms of any such indenture, instrument or agreement, except, in each case, to the extent such violation would not have a material adverse effect on the financial condition or business of the Parent and its Subsidiaries on a consolidated basis.

Section 5.08 No Default. Each of the Parent and its Subsidiaries is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect. No Event of Default or Potential Event of Default has occurred and is continuing.

Section 5.09 Anti-Corruption Laws and Sanctions. The Parent and its Subsidiaries have implemented and maintain in effect policies and procedures reasonably designed to promote compliance by the Parent and its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Parent, its Subsidiaries and, to the knowledge of the senior management of each of the Parent and its Subsidiaries, their respective directors, officers, employees and agents are in compliance in all material respects with Anti-Corruption Laws and applicable Sanctions. None of (a) the Parent, any Subsidiary of the Parent, or, to the knowledge of the senior management of each of the Parent and its Subsidiaries, any of their respective directors, officers or employees, or (b) to the knowledge of the senior management of each of the Parent and its Subsidiaries, any agent of the Parent or any of its

Subsidiaries or other Affiliates that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. Parent and its Subsidiaries are in compliance in all material respects with applicable provisions of Title III of the USA PATRIOT Act.

ARTICLE VI

CONDITIONS OF CREDIT

Section 6.01 Conditions to Initial Credit Events. The obligation of each Lender to make its initial Loan and of each Issuer to issue its initial Letter of Credit is subject to the execution and delivery of this Agreement by all parties hereto and the following conditions precedent:

(a) Officer's Certificate. The Administrative Agent shall have received a certificate dated the Closing Date and signed by the Treasurer or a Vice President of the Parent to the effect that each of the representations and warranties made by the Parent in Article V hereof is true and correct in all material respects (or, if qualified by "material," "Material Adverse Effect" or similar language, in all respects (after giving effect to such materiality qualification)) on and as of the Closing Date as if made on and as of such date, both before and after giving effect to the Credit Events requested to be made on the Closing Date.

(b) Legal Opinion. The Parent shall provide to the Administrative Agent a legal opinion dated the Closing Date in form and substance reasonably satisfactory to the Administrative Agent as to the matters set forth in Sections 5.03, 5.04, 5.05 and 5.07 of this Agreement.

(c) Corporate Action. The Administrative Agent shall have received on or before the Closing Date certified copies of all corporate action taken by the Parent and each Initial Other Borrower to authorize the execution and delivery of this Agreement and, if required, the Notes and such other papers as the Administrative Agent or any Lender shall reasonably require, including specimen signatures of the officers executing this Agreement, the Notes and such documents, including any notices of borrowing.

(d) Patriot Act Information. The Administrative Agent shall have received copies of the articles or certificate of incorporation of the Parent and each Initial Other Borrower, together with all amendments, and a certificate of good standing, each certified as of a recent date by the appropriate governmental officer in its jurisdiction of incorporation, as well as any other information required by Section 326 of the USA PATRIOT ACT or necessary for the Administrative Agent or any Lender to verify the identity of the Parent and each Initial Other Borrower as required by Section 326 of the USA PATRIOT Act.

(e) Fees and Expenses. The Parent shall have paid all fees and expenses required to be paid by it on or before the Closing Date in connection with this Agreement (to the extent such fees and expenses are due and reasonably detailed statements for such fees and expenses have been delivered to the Parent).

(f) Termination of Existing Agreement. The Existing Agreement, and all commitments thereunder, shall have been terminated and the Borrowers shall have paid all “Obligations” owing thereunder, including but not limited to all accrued and unpaid fees, costs and expenses.

Section 6.02 Conditions to All Credit Events. The obligation of each Lender to make each Loan to be made by it hereunder and of each Issuer to issue or Modify Letters of Credit is subject to the following conditions precedent:

(a) No Default. No Event of Default and (except in the case of a rollover or an extension of a Loan, but not an increase in the principal amount of a Loan) no Potential Event of Default, has occurred and is continuing on and as of the date of such Credit Event, both immediately before and immediately after giving effect to such Credit Event.

(b) Representations and Warranties. Each of the representations and warranties made by the Parent in Sections 5.03, 5.04, 5.05, 5.07 and 5.09 hereof shall be true and correct in all material respects on and as of the date of such Credit Event as if made on and as of such date unless such representation is already qualified by materiality and then, in such case, the representation shall be true in all respects, both immediately before and immediately after giving effect to such Credit Event. It is further understood and agreed that notice by the Parent requesting any Credit Event pursuant to Section 2.03, 2.11(b) or 3.02 hereof shall constitute a certification by the Parent that (a) the conditions precedent required by this Section 6.02 are satisfied at the date of such Credit Event, and (b) that the proceeds of such Loans will be used by the Borrowers for, and such Letters of Credit will be issued to support, general corporate purposes and no part of such proceeds will be used either directly or indirectly to purchase or carry margin stock in violation of Regulation U of the Board of Governors of the Federal Reserve System.

Section 6.03 Additional Conditions to Initial Credit Events of Other Borrowers. The obligations of each Lender to make each Loan to be made by it hereunder to an Other Borrower and of each Issuer to issue Letters of Credit for the account of an Other Borrower shall be subject to the following conditions precedent, in addition to those conditions stated in Section 6.02:

(a) Either (i) such Other Borrower is an Initial Other Borrower with respect to which the documents referred to in Sections 6.01(a), (b), (c) and (d) were delivered to the Administrative Agent on the Closing Date or (ii) such Other Borrower and the Parent have executed and delivered to the Administrative Agent a Borrower Accession Instrument, together with the

documents listed therein, and such documents are in form and substance reasonably satisfactory to the Administrative Agent, as evidenced by its signature on such Borrower Accession Instrument, and at least five Business Days have elapsed since the delivery of such Borrower Accession Agreement to the Administrative Agent (of which delivery the Administrative Agent shall give prompt notice to the Lenders).

(b) No event or circumstance of the type described in Section 9.01(c), (d), (e), (g), (i), or (j) with respect to such Other Borrower has occurred and is continuing on and as of the date of such Loans or Letter of Credit issuance.

ARTICLE VII

AFFIRMATIVE COVENANTS

Section 7.01 Affirmative Covenants. From and after the Closing Date and until the payment in full in cash of all of the Obligations (other than contingent indemnification and contingent expense reimbursement obligations not yet due and payable) and so long as any Commitment shall be in effect or any Loan or Letter of Credit (other than Letters of Credit that have been cash collateralized or as to which other arrangements with respect thereto satisfactory to the applicable Issuer shall have been made) or unreimbursed LC Disbursement shall be outstanding hereunder, the Parent agrees that it will, unless the Required Lenders shall otherwise consent in writing:

(a) Maintain, and cause each Subsidiary to maintain, insurance against risks of fire and other casualties with good and responsible insurance companies upon its properties of an insurable nature which are owned and acquired by it from time to time, in accordance with its normal insurance policies and practices.

(b) Duly pay and discharge, and cause each Subsidiary to pay and discharge, all taxes, assessments and governmental charges upon it or against its properties prior to the date on which penalties attach thereto, unless and to the extent only that (i) the same shall be contested in good faith and by proper proceedings or (ii) the failure to pay such taxes, assessments and charges, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

(c) Furnish to the Administrative Agent, with a copy for each Lender (i) within 60 days after the close of each quarter, except the last quarter, of each fiscal year, an unaudited consolidated balance sheet of the Parent and its Subsidiaries as of the end of such quarter, an unaudited consolidated income statement of the Parent and its Subsidiaries for the period commencing at the end of the Parent's previous fiscal year and ending with the end of such quarter

and an unaudited consolidated cash flow statement of the Parent and its Subsidiaries for the period commencing at the end of the Parent's previous fiscal year and ending with the end of such quarter, as such are filed with the Securities and Exchange Commission, (ii) within 120 days after the close of each fiscal year financial statements filed with the Securities and Exchange Commission consisting of a consolidated balance sheet of the Parent and its Subsidiaries as of the end of such fiscal year and a consolidated income statement of the Parent and its Subsidiaries for such fiscal year and a consolidated cash flow statement of the Parent and its Subsidiaries for such fiscal year which will be certified by independent certified public accountants of recognized standing, (iii) as soon as possible and in any event within five days after having knowledge of the occurrence of any Event of Default or Potential Event of Default which in either case is continuing on the date of such statement, a statement of the Chief Financial Officer of the Parent setting forth details of such Event of Default or Potential Event of Default and the action which the Parent has taken and proposes to take with respect thereto and (iv) such other information in confidence respecting the financial condition and affairs of the Parent and its Subsidiaries as the Administrative Agent or any Lender (through the Administrative Agent) may from time to time reasonably request. Any financial statement or other material required to be delivered pursuant to this clause (c) shall be deemed to have been furnished to each of the Administrative Agent and the Lenders on the date that such financial statement or other material is publicly accessible on the Securities and Exchange Commission's website at www.sec.gov; provided that the Parent will furnish paper copies of such financial statements and other materials to any Lender that requests, by notice to the Parent, that the Parent do so, until the Parent receives notice from such Lender to cease delivering such paper copies.

(d) Furnish to the Administrative Agent, with a copy for each Lender, a certificate duly completed and signed by the Treasurer, the Chief Financial Officer, the Assistant Treasurer or the Controller of the Parent concurrently with the delivery of the financial statements referred to in Section 7.01(c)(i) and (ii) (i) stating that, to the knowledge of such officer (after due inquiry), as of the date thereof no Event of Default or Potential Event of Default has occurred and is continuing or exists (or if an Event of Default or Potential Event of Default has occurred and is continuing or exists, specifying in detail the nature and period of the existence thereof and any action with respect thereto taken or contemplated to be taken by the Parent) and (ii) stating in reasonable detail the information and calculations necessary to establish compliance with Section 8.01 hereof.

(e) Comply, and cause each of its Subsidiaries to comply, with all laws (including ERISA, Environmental Laws, Anti-Corruption Laws and Sanctions), rules, regulations and orders of any Governmental Authority applicable to it or its property, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

(f) Not request any Borrowing, and shall not use, and shall procure that the Other Borrowers and their respective directors, officers and employees shall not use, directly or indirectly, the proceeds of any Loan or Letter of Credit, and shall not lend, contribute, or otherwise make such proceeds available to any Subsidiary, other Affiliate, joint venture partner or other Person (i) in furtherance of an offer, payment, promise to pay or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, in each case, except to the extent permissible for a Person required to comply with Sanctions or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto (including any Person participating in the transaction, whether as Lender, Administrative Agent, or otherwise).

(g) Maintain in effect and enforce policies and procedures reasonably designed to promote compliance by the Parent and its Subsidiaries and their respective directors, officers, employees, and agents with Anti-Corruption Laws and applicable Sanctions.

ARTICLE VIII

NEGATIVE COVENANTS

From and after the Closing Date and until the payment in full in cash of all of the Obligations (other than contingent indemnification and contingent expense reimbursement obligations not yet due and payable) and so long as any Commitment shall be in effect or any Loan or Letter of Credit (other than Letters of Credit that have been cash collateralized or as to which other arrangements with respect thereto satisfactory to the applicable Issuer shall have been made) or unreimbursed LC Disbursement shall be outstanding hereunder, the Parent agrees that it will not, unless the Required Lenders shall otherwise consent in writing:

Section 8.01 Maximum Leverage Ratio. Permit the Leverage Ratio to, at any time, exceed 0.70 to 1.00.

Section 8.02 Disposal of Assets. Sell, lease, assign, transfer or otherwise dispose of all or substantially all of its consolidated assets or permit its percentage ownership interest in any Other Borrower to be less than 75% (so long as such Other Borrower remains an Other Borrower hereunder).

Section 8.03 Liens. Create, assume or suffer to exist, nor cause or permit any Subsidiary to create, assume or suffer to exist, any mortgage, lien, pledge or security interest on any Principal Property, or any underlying real estate of such property, or shares of capital stock or

indebtedness of any Restricted Subsidiary, whether now owned or hereafter acquired; provided that this Section 8.03 shall not apply to any of the following:

(a) mortgages, liens, pledges or security interests on any Principal Property acquired, constructed or improved by the Parent or any Restricted Subsidiary after the date of the Indenture which are created or assumed contemporaneously with, or within 180 days after (or in the case of any such Principal Property which is being financed on the basis of long-term contracts or similar financing arrangements for which a firm commitment is made by one or more banks, insurance companies or other lenders or investors (not including the Parent or any Restricted Subsidiary), then within 360 days after), the completion of such acquisition, construction or improvement of such Principal Property to secure or provide for the payment of any part of the purchase price of such property or the cost of such construction or improvement, or mortgages, liens, pledges or security interests on any Principal Property existing at the time of acquisition thereof;

(b) mortgages, liens, pledges or security interests on property or shares of capital stock or indebtedness of a Person existing at the time such Person is merged into or consolidated with the Parent or a Restricted Subsidiary or at the time of a sale, lease or other disposition of the properties of a Person substantially as an entirety to the Parent or a Restricted Subsidiary;

(c) mortgages, liens, pledges or security interests on property or shares of capital stock or indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary;

(d) mortgages, liens, pledges or security interests to secure indebtedness of a Restricted Subsidiary to the Parent or to another Restricted Subsidiary, but only so long as such indebtedness is held by the Parent or a Restricted Subsidiary;

(e) mortgages, liens, pledges or security interests in favor of the United States of America or any State thereof, or any department, agency or political subdivision of the United States of America or any State thereof, to secure partial, progress, advance or other payments pursuant to any contract or statute, including mortgages, liens, pledges or security interests to secure indebtedness of the pollution control or industrial revenue bond type, or to secure any indebtedness incurred for the purpose of financing all or any part of the purchase price or the cost of constructing or improving the property subject to such mortgages, liens, pledges or security interests;

(f) mortgages, liens, pledges or security interests in favor of any customer arising in respect of partial, progress, advance or other payments made by or on behalf of such customer for goods produced for or services rendered to such customer in the ordinary course of business not exceeding the amount of such payments;

(g) mortgages, liens, pledges or security interests for the sole purpose of extending, renewing or replacing in whole or in part any lien referred to in the foregoing clauses (a) through (f), inclusive, or in this clause (g), or any lien created prior to and existing on the date of the Indenture; provided that the principal amount of indebtedness secured thereby shall not exceed the principal amount of indebtedness so secured at the time of such extension, renewal or replacement, and that such extension, renewal or replacement shall be limited to all or a part of the property subject to the lien so extended, renewed or replaced (plus improvements on such property);

(h) mechanics', workmen's, repairmen's, materialmen's, carriers' or other similar liens arising in the ordinary course of business;

(i) mortgages, liens, pledges or security interests created by or resulting from any litigation or proceedings which are being contested in good faith; mortgages, liens, pledges or security interests arising out of judgments or awards against the Parent or any Restricted Subsidiary with respect to which the Parent or such Restricted Subsidiary is in good faith prosecuting an appeal or proceedings for review; or mortgages, liens, pledges or security interests incurred by the Parent or any Restricted Subsidiary for the purpose of obtaining a stay or discharge in the course of any legal proceeding to which the Parent or such Restricted Subsidiary is a party; or

(j) mortgages, liens, pledges or security interests for taxes or assessments or governmental charges or levies not yet due or delinquent, or which can thereafter be paid without penalty, or which are being contested in good faith by appropriate proceedings; landlord's liens on property held under lease, and tenants' rights under leases; easements; and any other mortgages, liens, pledges or security interests of a nature similar to those hereinabove described in this clause (j) which do not, in the opinion of the Parent, materially impair the use of such property in the operation of the business of the Parent or a Restricted Subsidiary or the value of such property for the purposes of such business;

provided, however, that if (x) the Parent creates, assumes or suffers to exist or causes or permits any Subsidiary to create, assume or suffer to exist any such mortgage, lien, pledge or security interest on any such Principal Property or any such underlying real estate, shares or indebtedness or (y) to the extent the Indenture and any securities thereunder remain outstanding, and the Indenture requires the Parent to make or cause to be made effective provision whereby the obligations outstanding under the Indenture are secured by any mortgage, lien, pledge or security interest equally and ratably with any and all other indebtedness and obligations secured thereby, then, in each case of (x) and (y), the Parent shall also make or cause to be made effective provision whereby the Obligations shall be secured by such mortgage, lien, pledge or security interest equally and ratably with any and all other indebtedness or obligations secured thereby (including the outstanding obligations under the Indenture, if any).

ARTICLE IX

EVENTS OF DEFAULT

Section 9.01 Events of Default. An “Event of Default” shall mean the occurrence or existence of one or more of the following events or conditions:

(a) Default in payment of principal on any Loan or Note or reimbursement obligation with respect to any Letter of Credit when due; or

(b) Default in payment of interest, any Commitment Fee, Letter of Credit Fee or any other amount provided for herein, and such default shall continue unremedied for five Business Days after written notice thereof shall have been received by the Parent from the Administrative Agent or any Lender; or

(c) Any representation made by the Parent or any Other Borrower herein or in any certificate, statement or report, or any financial statement, furnished by the Parent or any Other Borrower hereunder shall prove at any time to be erroneous in any material respect; provided, however, the Parent or such Other Borrower shall have twenty days after the Parent or such Other Borrower has knowledge of such fact to remedy the underlying facts resulting in such certificate, statement or report being erroneous as above described; or

(d) (i) Default in any respect in the performance of Section 7.01(f) hereof or (ii) default in any material respect by the Parent or any Other Borrower in the performance of any other term, covenant or agreement contained in this Agreement, other than those set forth in clause (i) of this clause (d) or clauses (a) through (c) above and (x) such default (other than a default in the performance of Section 7.01(c)(iii) hereof) shall continue unremedied for thirty days after written notice thereof shall have been received by the Parent from the Administrative Agent or (y) in the case of a default in the performance of Section 7.01(c)(iii) hereof, such default shall have continued unremedied for five days; or

(e) Failure by the Parent or any Subsidiary to pay when due (whether at maturity, upon acceleration or otherwise, giving effect to any applicable grace period) obligations for borrowed money (other than Limited Recourse Debt) in excess of the Dollar Equivalent Amount of \$225,000,000 in the aggregate at any time; or

(f) If the Parent dissolves or merges or is merged with another entity (unless (i) the Parent is the surviving entity or the surviving entity is (x) a corporation incorporated under the laws of the United States, any state thereof or the District of Columbia or (y) a partnership or limited liability company formed under the laws of the United States, any state thereof or the District of Columbia (any such entity, the “Successor Borrower”) and, in the case of this clause (y),

the Lenders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such merger and will be subject to federal income tax on the same amounts, in the same manner and at the time times as would have been the case if such merger had not occurred, (ii) the Successor Borrower (if not Parent) shall succeed, by agreement reasonably satisfactory in form and substance to the Administrative Agent, to all of the businesses and operations of the Parent and shall assume all of the rights and Obligations of the Parent under this Agreement and the other Loan Documents, (iii) each Other Borrower confirms its Obligations under this Agreement and the other Loan Documents in form and substance reasonably satisfactory to the Administrative Agent, (iv) the Administrative Agent and each Lender shall have received, such other documents and information as may be reasonably requested, including, without limitation, information in respect of applicable “know your customer” and anti-money laundering rules and regulations and the USA PATRIOT Act, (v) no Event of Default and no Potential Event of Default has occurred and is continuing or would result therefrom, (vi) after giving effect to such dissolution or merger, the Public Debt Rating is at least BBB+/Baa1 and (vii) Parent or such Successor Borrower, as applicable, shall have delivered to the Administrative Agent, for distribution to the Lenders, an officer’s certificate to the effect that such merger complies with the terms of this Agreement); or

(g) A judgment or order for the payment of money in excess of the Dollar Equivalent Amount of \$225,000,000 shall be rendered against the Parent or any Other Borrower and such judgment shall continue unsatisfied or unstayed for a period of 60 days after the time period for appeal has expired; provided, however, that, for purposes of determining whether an Event of Default has occurred under this Section 9.01(g), the amount of any such judgment or order shall be reduced to the extent that (i) such judgment or order is covered by a valid and binding policy of insurance between the defendant and the insurer covering payment thereof and (ii) such insurer, which shall be rated at least “A” by A.M. Best Company, has been notified of, and has not disputed the claim made for payment of, such judgment or order; or

(h) The Parent shall purport to terminate, revoke, declare voidable or void all or any part of its obligations under Article X hereof and such termination, revocation or declaration shall not have been rescinded in writing within three Business Days after written notice thereof by the Administrative Agent to the Parent; or

(i) The Parent or any Other Borrower makes, or takes corporate or other organizational action for a general assignment for the benefit of creditors, or files a voluntary petition in bankruptcy or a petition or answer seeking its reorganization or the readjustment of its indebtedness or consents to or petitions for the appointment of a receiver, trustee or liquidator of all or substantially all of its property; or

(j) The commencement of a case or other proceeding, without the application or consent of the Parent or any Other Borrower, in any court of competent jurisdiction,

seeking the liquidation, reorganization, dissolution, winding up, or composition or readjustment of debts, of the Parent or such Other Borrower, the appointment of a trustee, receiver, custodian, liquidator or the like for the Parent or any Other Borrower, or any similar action with respect to the Parent or any Other Borrower, under any laws relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, and such case or proceeding shall continue undismissed, or unstayed and in effect for a period of 90 consecutive days or an order for relief in respect of the Parent or any Other Borrower, shall be entered in an involuntary case under the Federal bankruptcy laws (as now or hereafter in effect) and such order shall not be dismissed, discharged, stayed or restrained prior to the end of such 90 day period or within 30 days of its entry, whichever is later; or

(k) A Change of Control shall have occurred; or

(l) An ERISA Event shall have occurred, which either alone or together with all other such ERISA Events, if any, that have already occurred would reasonably be expected to result in a Material Adverse Effect;

provided that notwithstanding the foregoing, no Event of Default or Potential Event of Default shall be deemed to have occurred or to exist as a result of an event or circumstance of the type described in clause (c), (d), (g), (i) or (j) with respect to an Other Borrower for a period of five Business Days after notice of such event or circumstance is given by the Administrative Agent to the Parent, if, within such five Business Day period (i) the principal of, and interest on, all outstanding Loans made to such Other Borrower are repaid in full and (ii) such Other Borrower and the Parent execute and deliver to the Administrative Agent an Other Borrower Removal Notice.

Section 9.02 Consequences of an Event of Default.

(a) If an Event of Default specified in clauses (a) through (h), (k) and (l) of Section 9.01 hereof shall occur or exist, then, in addition to all other rights and remedies which the Administrative Agent or any Lender may have hereunder or under any other Loan Document, at law or in equity, the Lenders shall be under no further obligation to make Loans, the Issuers shall be under no further obligation to issue or Modify Letters of Credit, and the Administrative Agent may, and upon the written request of the Required Lenders shall, by notice to the Parent, from time to time do any or all of the following:

(i) declare the Commitments terminated, whereupon the Commitments will terminate;

(ii) declare the unpaid principal amount of the Loans, interest accrued thereon and all other Obligations to be immediately due and payable without presentment, demand, protest or further notice of any kind, all of which are

hereby waived and require any outstanding Letters of Credit to be cash collateralized in accordance with Section 2.11(i).

(b) If an Event of Default specified in clauses (i) or (j) of Section 9.01 hereof shall occur or exist, then, in addition to all other rights and remedies which the Administrative Agent or any Lender may have hereunder or under any other Loan Document, at law or in equity, the Commitments shall automatically terminate, the Lenders shall be under no further obligation to make Loans, the Issuers shall be under no further obligation to issue or Modify Letters of Credit, the unpaid principal amount of the Loans, interest accrued thereon and all other Obligations shall become immediately due and payable without presentment, demand, protest or notice of any kind, all of which are hereby waived, and any outstanding Letters of Credit shall be cash collateralized in accordance with Section 2.11(i).

ARTICLE X

PARENT GUARANTY

Section 10.01 Guaranty and Suretyship. The Parent hereby absolutely, unconditionally and irrevocably guarantees and becomes surety for the full and punctual payment of the Guaranteed Obligations as and when such payment shall become due (at scheduled maturity, by acceleration or otherwise) in accordance with the terms of the Loan Documents. The provisions of this Article X are an agreement of suretyship as well as of guaranty, are a guarantee of payment and not merely of collectability, and are in no way conditioned upon any attempt to collect from or proceed against any Other Borrower or any other Person or any other event or circumstance. The obligations of the Parent under this Article X are direct and primary obligations of the Parent and are independent of the Guaranteed Obligations, and a separate action or actions may be brought against the Parent regardless of whether action is brought against any Other Borrower or any other Person or whether any Other Borrower or any other Person is joined in any such action or actions. The provisions of this Article X shall not apply unless and until an Other Borrower is party to this Agreement or a Borrower Accession Instrument and shall apply for so long as any Loan to an Other Borrower or the related Guaranteed Obligations are outstanding or any Commitment remains in effect.

Section 10.02 Obligations Absolute. To the fullest extent permitted by Law, the Parent agrees that the Guaranteed Obligations will be paid strictly in accordance with the terms of the Loan Documents, regardless of any Law now or hereafter in effect in any jurisdiction affecting the Guaranteed Obligations, any of the terms of the Loan Documents or the rights of the Administrative Agent, any Lender or any other Person with respect thereto. To the fullest extent permitted by Law, the obligations of the Parent under this Article X shall be absolute, unconditional and irrevocable, irrespective of any of the following:

(a) any lack of legality, validity, enforceability or allowability (in a bankruptcy, insolvency, reorganization, dissolution or similar proceeding, or otherwise), or any avoidance or subordination, in whole or in part, of any Loan Document or any of the Guaranteed Obligations;

(b) any increase, decrease or change in the amount, nature, type or purpose of any of the Guaranteed Obligations (whether or not contemplated by the Loan Documents as presently constituted); any change in the time, manner, method or place of payment of, or in any other term of, any of the Guaranteed Obligations; any execution or delivery of any additional Loan Documents; or any amendment to, or refinancing or refunding of, any Loan Document or any of the Guaranteed Obligations;

(c) any impairment by the Administrative Agent, any Lender or any other Person of any recourse of the Parent against any Other Borrower or any other Person; any failure to assert any breach of or default under any Loan Document or any of the Guaranteed Obligations; any extensions of credit in excess of the amount committed under or contemplated by the Loan Documents, or in circumstances in which any condition to such extensions of credit has not been satisfied; any other exercise or non-exercise, or any other failure, omission, breach, default, delay or wrongful action in connection with any exercise or non-exercise, of any right or remedy against any Other Borrower or any other Person under or in connection with any Loan Document or any of the Guaranteed Obligations; any refusal of payment of any of the Guaranteed Obligations, whether or not with any reservation of rights against the Parent; or any application of collections (including collections resulting from realization upon any direct or indirect security for the Guaranteed Obligations) to other obligations, if any, not entitled to the benefits of this Agreement, in preference to Guaranteed Obligations entitled to the benefits of this Agreement, or if any collections are applied to Guaranteed Obligations, any application to particular Guaranteed Obligations;

(d) any taking, amendment, subordination, release, loss or impairment of, or any failure to protect, perfect, or preserve the value of, or any other action or inaction by the Administrative Agent, any Lender or any other Person in respect of, any direct or indirect security for any of the Guaranteed Obligations;

(e) any merger, consolidation, liquidation, dissolution, winding-up, charter revocation or forfeiture, or other change in, restructuring or termination of the corporate structure or existence of, any Other Borrower or any other Person; any bankruptcy, insolvency, reorganization, dissolution or similar proceeding with respect to any Other Borrower or any other Person; or any action taken or election made by the Administrative Agent, any Lender (including any election under Section 1111(b)(2) of the United States Bankruptcy Code), any Other Borrower or any other Person in connection with any such proceeding;

(f) the failure of any Other Borrower to be properly organized under the Laws of its jurisdiction of organization, to take proper actions to authorize the incurrence of its Guaranteed Obligations or to comply in any respect with Laws applicable to it relating to its Guaranteed Obligations;

(g) any defense, set-off or counterclaim (including any defense of failure of consideration, breach of warranty, statute of frauds, bankruptcy, lack of legal capacity, statute of limitations, lender liability, accord and satisfaction or usury, and excluding only the defense of full, strict and indefeasible payment or performance), which may at any time be available to any Other Borrower or any other Person with respect to any Loan Document or any of the Guaranteed Obligations; or any discharge by operation of law or release of any Other Borrower or any other Person from the performance or observance of any Loan Document or any of the Guaranteed Obligations; or

(h) any other event or circumstance, whether similar or dissimilar to the foregoing, and whether known or unknown, which might otherwise constitute a legal or equitable defense available to, or limit the liability of, any Other Borrower, the Parent, a guarantor or a surety, excepting only full, strict and indefeasible payment and performance of the Guaranteed Obligations.

Section 10.03 Waivers, etc. To the fullest extent permitted by Law, the Parent hereby waives any defense to or limitation on its obligations under this Article X arising out of or based on any event or circumstance referred to in Section 10.02. Without limitation, to the fullest extent permitted by Law, the Parent waives each of the following for purposes of this Article X:

(a) all notices, disclosures and demands of any nature which otherwise might be required from time to time to preserve intact any rights against the Parent, including (i) any notice of any event or circumstance described in Section 10.02, (ii) any notice required by any Law now or hereafter in effect in any jurisdiction, (iii) any notice of nonpayment, nonperformance, dishonor, or protest under any Loan Document or any of the Guaranteed Obligations, (iv) any notice of the incurrence of any Guaranteed Obligation, (v) any notice of any default (other than notices expressly required under Article IX hereof) or any failure on the part of any Other Borrower or any other Person to comply with any Loan Document or any of the Guaranteed Obligations or any direct or indirect security for any of the Guaranteed Obligations, and (vi) any notice of any information pertaining to the business, operations, condition (financial or otherwise) or prospects of any Other Borrower or any other Person;

(b) any right to any marshalling of assets, to the filing of any claim against any Other Borrower or any other Person in the event of any bankruptcy, insolvency, reorganization, dissolution or similar proceeding, or to the exercise against any Other Borrower or any other Person of any other right or remedy under or in connection with any Loan Document or any of the Guaranteed

Obligations or any direct or indirect security for any of the Guaranteed Obligations; any requirement of promptness or diligence on the part of the Administrative Agent, any Lender or any other Person; any requirement to exhaust any remedies under or in connection with, or to mitigate the damages resulting from default under, any Loan Document or any of the Guaranteed Obligations or any direct or indirect security for any of the Guaranteed Obligations; and any requirement of acceptance of this Agreement, and any requirement that the Parent receive notice of such acceptance; and

(c) any defense or other right arising by reason of any Law now or hereafter in effect in any jurisdiction pertaining to election of remedies (including anti-deficiency laws, “one action” laws or similar laws), or by reason of any election of remedies or other action or inaction by the Administrative Agent or any Lender (including commencement or completion of any judicial proceeding or nonjudicial sale or other action in respect of collateral security for any of the Guaranteed Obligations), which results in denial or impairment of the right of the Administrative Agent or Lenders to seek a deficiency against any Other Borrower or any other Person, or which otherwise discharges or impairs any of the Guaranteed Obligations or any recourse of the Parent against any Other Borrower or any other Person.

Section 10.04 Reinstatement. The obligations of the Parent under this Article X shall continue to be effective, or be automatically reinstated, as the case may be, if at any time payment of any of the Guaranteed Obligations is avoided, rescinded or must otherwise be returned by the Administrative Agent or any Lender for any reason, all as though such payment had not been made.

Section 10.05 No Stay. Without limitation of any other provision of this Agreement, if any acceleration of the time for payment of any Guaranteed Obligation, or any condition to any such acceleration, shall at any time be stayed, enjoined or prevented for any reason (including stay or injunction resulting from the pendency against any Other Borrower or any other Person of a bankruptcy, insolvency, reorganization, dissolution or similar proceeding), the Parent agrees that, for purposes of this Article X and its obligations hereunder, such Guaranteed Obligation shall be deemed to have been accelerated, and such condition to acceleration shall be deemed to have been met.

Section 10.06 Payments. All payments to be made by the Parent pursuant to this Article X shall be made at the times, in the manner and in the currency prescribed for payments in Section 4.05 of this Agreement, without set-off, counterclaim, withholding or other deduction of any nature, except for payments and deductions permitted by Section 4.05.

Section 10.07 Subrogation, etc. Any rights which the Parent may have or acquire by way of subrogation, reimbursement, exoneration, contribution or indemnity, and any similar rights (whether arising by operation of law, by agreement or otherwise), against each Other Borrower,

arising from the existence, payment, performance or enforcement of any of the obligations of the Parent under or in connection with this Agreement, shall be subordinate in right of payment to the Guaranteed Obligations, and the Parent shall not exercise any such rights until the earlier of the time when all Guaranteed Obligations and all other obligations under this Agreement have been paid in full and all Commitments shall have terminated or the time when such Other Borrower ceases to be an Other Borrower hereunder. If, notwithstanding the foregoing, any amount shall be received by the Parent on account of any such rights at any time prior to the earlier of the time when all Guaranteed Obligations under this Agreement shall have been paid in full and all Commitments shall have terminated or the time when such Other Borrower shall have ceased to be an Other Borrower hereunder, such amount shall be held by the Parent in trust for the benefit of the Lenders, segregated from other funds held by the Parent, and shall be forthwith delivered to the Administrative Agent on behalf of the Lenders in the exact form received by the Parent (with any necessary endorsement), to be applied to the Guaranteed Obligations, whether matured or unmatured, in accordance with this Agreement, or to be held by the Administrative Agent on behalf of the Lenders as security for the Guaranteed Obligations and disposed of by the Administrative Agent in any lawful manner, all as the Administrative Agent may elect in accordance with this Agreement.

Section 10.08 Continuing Agreement. The provisions of this Article X are a continuing guaranty and shall continue in full force and effect until all Guaranteed Obligations have been paid in full, and all Commitments have terminated, subject in any event to reinstatement in accordance with Section 10.04.

ARTICLE XI

THE ADMINISTRATIVE AGENT

Section 11.01 Appointment. Each Lender and Issuer hereby appoints Wells Fargo to act as Administrative Agent for such Lender or Issuer under this Agreement and the other Loan Documents. Each Lender and Issuer hereby irrevocably authorizes Wells Fargo as Administrative Agent to take such action on behalf of such Lender or Issuer under the provisions of this Agreement and the other Loan Documents, and to exercise such powers and to perform such duties, as are expressly delegated to or required of the Administrative Agent by the terms hereof or thereof, together with such powers as are reasonably incidental thereto. Wells Fargo hereby agrees to act as Administrative Agent on behalf of the Lenders and Issuers on the terms and conditions set forth in this Agreement and the other Loan Documents, subject to its right to resign as provided in Section 11.10 hereof. Each Lender and Issuer hereby irrevocably authorizes the Administrative Agent to execute and deliver each of the Loan Documents and to accept delivery of such of the other Loan Documents as may not require execution by the Administrative Agent. Each Lender and Issuer agrees that the rights and remedies granted to the Administrative Agent under the Loan Documents

shall be exercised exclusively by the Administrative Agent, and that no Lender or Issuer shall have any right individually to exercise any such right or remedy, except to the extent expressly provided herein or therein.

Section 11.02 General Nature of the Administrative Agent's Duties. Notwithstanding anything to the contrary elsewhere in this Agreement or in any other Loan Document:

(a) The Administrative Agent shall not have any duties or responsibilities except those expressly set forth in this Agreement and the other Loan Documents, and no implied duties or responsibilities on the part of the Administrative Agent shall be read into this Agreement or any Loan Document or shall otherwise exist.

(b) The duties and responsibilities of the Administrative Agent under this Agreement and the other Loan Documents shall be mechanical and administrative in nature, and the Administrative Agent shall not have a fiduciary relationship in respect of any Lender or Issuer.

(c) The Administrative Agent is and shall be solely the agent of the Lenders and Issuers. The Administrative Agent does not assume, and shall not at any time be deemed to have, any relationship of agency or trust with or for, or any other duty or responsibility to, any Borrower or any other Person (except only for its relationship as agent for, and its express duties and responsibilities to, the Lenders and Issuers as provided in this Agreement and the other Loan Documents).

(d) The Administrative Agent shall not be under any obligation to take any action hereunder or under any other Loan Document if the Administrative Agent believes in good faith that taking such action may conflict with any Law or any provision of this Agreement or any other Loan Document, or may require the Administrative Agent to qualify to do business in any jurisdiction where it is not then so qualified.

Section 11.03 Exercise of Powers. The Administrative Agent shall take any action of the type specified in this Agreement or any other Loan Document as being within the Administrative Agent's rights, powers or discretion in accordance with directions from the Required Lenders (or, to the extent this Agreement or such Loan Document expressly requires the direction or consent of some other Person or set of Persons, then instead in accordance with the directions of such other Person or set of Persons). In the absence of such directions, the Administrative Agent shall have the authority (but under no circumstances shall be obligated), in its sole discretion, to take any such action, except to the extent this Agreement or such Loan Document expressly requires the direction or consent of the Required Lenders or all Lenders (or some other Person or set of Persons), in which case the Administrative Agent shall not take such action absent such direction or consent. Any action or inaction pursuant to such direction, discretion or consent shall be binding

on all the Lenders. The Administrative Agent shall not have any liability to any Person as a result of (x) the Administrative Agent acting or refraining from acting in accordance with the directions of the Required Lenders (except where such direction directly contravenes an express provision hereof under which the Administrative Agent is required to give notice or apply funds), (y) the Administrative Agent refraining from acting in the absence of instructions to act from the Required Lenders (or other applicable Person or set of Persons), whether or not the Administrative Agent has discretionary power to take such action (except where such instruction directly contravenes an express provision hereof under which the Administrative Agent is required to give notice or apply funds), or (z) the Administrative Agent taking discretionary action it is authorized to take under this Section (subject, in the case of this clause (z), to the provisions of Section 11.04(a) hereof).

Section 11.04 General Exculpatory Provisions. Notwithstanding anything to the contrary elsewhere in this Agreement or any other Loan Document:

(a) The Administrative Agent shall not be liable for any action taken or omitted to be taken by it under or in connection with this Agreement or any other Loan Document, unless caused by its own gross negligence or willful misconduct, as finally determined in a non-appealable judgment by a court of competent jurisdiction.

(b) The Administrative Agent shall not be responsible to any Lender or Issuer for (i) the execution, delivery, effectiveness, enforceability, genuineness, validity or adequacy of this Agreement or any other Loan Document, (ii) any recital, representation, warranty, document, certificate, report or statement in, provided for in, or received under or in connection with, this Agreement or any other Loan Document, (iii) any failure of any Borrower or Lender to perform any of their respective obligations under this Agreement or any other Loan Document, (iv) the existence, validity, enforceability, perfection, recordation, priority, adequacy or value, now or hereafter, of any lien or other direct or indirect security afforded or purported to be afforded by any of the Loan Documents or otherwise from time to time, or (v) caring for, protecting, insuring, or paying any taxes, charges or assessments with respect to any collateral.

(c) The Administrative Agent shall not be under any obligation to ascertain, inquire or give any notice to any Lender or Issuer relating to (i) the performance or observance of any of the terms or conditions of this Agreement or any other Loan Document on the part of any Borrower, (ii) the business, operations, condition (financial or otherwise) or prospects of any Borrower or any other Person, or (iii) except to the extent set forth in Section 11.05(f) hereof, the existence of any Event of Default or Potential Event of Default.

(d) The Administrative Agent shall not be under any obligation, either initially or on a continuing basis, to provide any Lender or Issuer with any notices, reports or information of any nature, whether in its possession presently or hereafter, except for such notices,

reports and other information expressly required by this Agreement or any other Loan Document to be furnished by the Administrative Agent to such Lender or Issuer.

Section 11.05 Administration by the Administrative Agent.

(a) The Administrative Agent may rely upon any notice or other communication of any nature (written or oral, including but not limited to telephone conversations, whether or not such notice or other communication is made in a manner permitted or required by this Agreement or any Loan Document) purportedly made by or on behalf of the proper party or parties, and the Administrative Agent shall not have any duty to verify the identity or authority of any Person giving such notice or other communication.

(b) The Administrative Agent may consult with legal counsel (including, without limitation, in-house counsel for the Administrative Agent or in-house or other counsel for any Borrower), independent public accountants and any other experts selected by it from time to time, and the Administrative Agent shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts.

(c) The Administrative Agent may conclusively rely upon the truth of the statements and the correctness of the opinions expressed in any certificates or opinions furnished to the Administrative Agent in accordance with the requirements of this Agreement or any other Loan Document. Whenever the Administrative Agent shall deem it necessary or desirable that a matter be proved or established with respect to any Borrower or Lender, such matter may be established by a certificate of such Borrower or Lender, as the case may be, and the Administrative Agent may conclusively rely upon such certificate (unless other evidence with respect to such matter is specifically prescribed in this Agreement or another Loan Document).

(d) The Administrative Agent may fail or refuse to take any action unless it shall be indemnified to its satisfaction from time to time against any and all amounts, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature which may be imposed on, incurred by or asserted against the Administrative Agent by reason of taking or continuing to take any such action.

(e) The Administrative Agent may perform any of its duties under this Agreement or any other Loan Document by or through agents or attorneys-in-fact. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in fact selected by it with reasonable care.

(f) The Administrative Agent shall not be deemed to have any knowledge or notice of the occurrence of any Event of Default or Potential Event of Default unless the Administrative Agent has received notice from a Lender or any Borrower referring to this

Agreement, describing such Event of Default or Potential Event of Default, and stating that such notice is a “notice of default”. If the Administrative Agent receives such a notice, it shall give prompt notice thereof to each Lender and Issuer.

Section 11.06 Lender Not Relying on the Administrative Agent or Other Lenders. Each Lender acknowledges as follows:

(a) Neither the Administrative Agent nor any other Lender has made any representations or warranties to it, and no act taken hereafter by the Administrative Agent or any other Lender shall be deemed to constitute any representation or warranty by the Administrative Agent or such other Lender to it.

(b) It has, independently and without reliance upon the Administrative Agent or any other Lender, and based upon such documents and information as it has deemed appropriate, made its own credit and legal analysis and decision to enter into this Agreement and the other Loan Documents.

(c) It will, independently and without reliance upon the Administrative Agent or any other Lender, and based upon such documents and information as it shall deem appropriate at the time, make its own decisions to take or not take action under or in connection with this Agreement and the other Loan Documents.

Section 11.07 Indemnification. Each Lender agrees to reimburse and indemnify the Administrative Agent, each Swingline Lender, each Issuer and their respective directors, officers, employees and agents (to the extent not reimbursed by a Borrower as set forth herein and without limitation of the obligations of the Borrowers to do so as set forth herein), Pro Rata, from and against any and all amounts, losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, suits, costs or disbursements of any kind or nature (including, without limitation, the reasonable fees and disbursements of counsel for the Administrative Agent or such other Person in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not the Administrative Agent or such other Person shall be designated a party thereto) that may at any time be imposed on, incurred by or asserted against the Administrative Agent or such other Person as a result of, or arising out of, or in any way related to or by reason of, this Agreement, any other Loan Document, any transaction from time to time contemplated hereby or thereby, or any transaction financed in whole or in part or directly or indirectly with the proceeds of any Loan; provided that no Lender shall be liable for any portion of such amounts, losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, suits, costs or disbursements resulting from the gross negligence or willful misconduct of the Administrative Agent or such other Person, as finally determined in a non-appealable judgment by a court of competent jurisdiction.

Section 11.08 The Administrative Agent in its Individual Capacity. With respect to its Commitments and the Obligations owing to it, the Administrative Agent shall have the same rights and powers under this Agreement and each other Loan Document as any other Lender and may exercise the same as though it were not the Administrative Agent, and the terms “Lenders,” “holders of Notes” and like terms shall include the Administrative Agent in its individual capacity as such. The Administrative Agent and its Affiliates may, without liability to account, make loans to, accept deposits from, acquire debt or equity interests in, act as trustee under indentures of, and engage in any other business with, any Borrower and any stockholder, subsidiary or Affiliate of any Borrower, as though the Administrative Agent were not an Administrative Agent hereunder.

Section 11.09 Lenders. The Administrative Agent may deem and treat each Lender signatory hereto as a Lender hereunder for all purposes hereof unless and until such Person assigns all of its interests hereunder pursuant to Section 12.14(c) hereof. Any authority, direction or consent of any Person who at the time of giving such authority, direction or consent is shown in the Register as being a Lender shall be conclusive and binding on each present and subsequent transferee or assignee.

Section 11.10 Successor Administrative Agent. The Administrative Agent may resign at any time by giving 10 days’ prior written notice thereof to the Lenders, the Issuers and the Parent. The Administrative Agent may be removed by the Required Lenders at any time by giving 10 days’ prior written notice thereof to the Administrative Agent, the Issuers, the other Lenders and the Parent. Upon any such resignation or removal, the Required Lenders shall have the right to appoint a successor Administrative Agent, subject to the consent of the Parent (which consent shall not be unreasonably withheld and shall not be required if an Event of Default has occurred and is continuing). If no successor Administrative Agent shall have been so appointed and consented to, and shall have accepted such appointment, within 30 days after such notice of resignation or removal, then the retiring Administrative Agent may, on behalf of the Lenders and Issuers, appoint a successor Administrative Agent; provided that if the Administrative Agent is resigning, the retiring Administrative Agent’s resignation shall nevertheless become effective on the date that is 40 days after its initial notice of resignation and the Lenders shall assume and perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above. Each successor Administrative Agent shall be a commercial bank or trust company organized under the laws of the United States of America or any State thereof and having a combined capital and surplus of at least \$1,000,000,000. Upon the acceptance by a successor Administrative Agent of its appointment as Administrative Agent hereunder, such successor Administrative Agent shall thereupon succeed to and become vested with all the properties, rights, powers, privileges and duties of the former Administrative Agent, without further act, deed or conveyance. Upon the effective date of resignation or removal of a retiring Administrative Agent, such Administrative Agent shall be discharged from its duties under this Agreement and the other Loan Documents, but the provisions of this Agreement shall inure to its

benefit as to any actions taken or omitted by it while it was the Administrative Agent under this Agreement.

Section 11.11 Calculations. The Administrative Agent shall not be liable for any calculation, apportionment or distribution of payments made by it in good faith. If such calculation, apportionment or distribution is subsequently determined to have been made in error, the sole recourse of any Lender to whom payment was due but not made shall be to recover from the other Lenders any payment in excess of the amount to which they are determined to be entitled or, if the amount due was not paid by the appropriate Borrower, to recover such amount from the appropriate Borrower.

Section 11.12 The Administrative Agent's Fees. The Parent agrees to pay to the Administrative Agent, for its individual account, a nonrefundable Administrative Agent's fee in an amount and at such time or times as specified in the Wells Fargo Fee Letter.

Section 11.13 Co-Syndication Agents; Co-Documentation Agents. None of the Lenders identified in this Agreement as a "Co-Syndication Agent" or "Co-Documentation Agent" shall have any right, power, obligation, liability, responsibility or duty under this Agreement in such identified capacity other than those applicable to all Lenders as such. Without limiting the foregoing, none of such Lenders shall have or be deemed to have a fiduciary relationship with any Lender. Each Lender hereby makes the same acknowledgements with respect to such Lenders as it makes with respect to the Administrative Agent in Section 11.06.

ARTICLE XII

MISCELLANEOUS

Section 12.01 Holidays. Whenever any payment or action to be made or taken hereunder or under any other Loan Document shall be stated to be due on a day which is not a Business Day, such payment or action shall be made or taken on the next following Business Day and such extension of time shall be included in computing interest or fees, if any, in connection with such payment or action.

Section 12.02 Records. The unpaid principal amount of the Loans owing to each Lender, the unpaid interest accrued thereon, the interest rate or rates applicable to such unpaid principal amount, the duration of such applicability, each Lender's Revolving Credit Committed Amount shall at all times be ascertained from the records of the Administrative Agent, which shall be conclusive absent manifest error.

Section 12.03 Amendments and Waivers. Neither this Agreement nor any Loan Document may be amended, modified or supplemented except in accordance with the provisions of this Section. The Administrative Agent, the Required Lenders and the Borrowers may from time to time amend, modify or supplement the provisions of this Agreement or any other Loan Document for the purpose of amending, adding to, or waiving any provisions, or changing in any manner the rights and duties of any Borrower, the Administrative Agent or any Lender; provided, however, that, notwithstanding the foregoing, any amendment, modification or supplement of the provisions of this Agreement or any other Loan Document of the kind described in clauses (a) and (b) of this Section 12.03 may be entered into from time to time by the Administrative Agent, each Lender affected thereby and the Parent. Any such amendment, modification or supplement made by the Borrowers (or the Parent, as the case may be), the Required Lenders and the Administrative Agent in accordance with the provisions of this Section shall be binding upon the Borrowers, each Lender and the Administrative Agent; provided that no amendment, modification or supplement shall be effective which will:

(a) Increase the Revolving Credit Committed Amount of any Lender over the amount thereof then in effect, or extend the Revolving Credit Maturity Date or the Competitive Bid Expiration Date (except in each case in accordance with Section 4.01) or extend the expiration date of any Letter of Credit beyond the Revolving Credit Maturity Date, unless executed by each Lender affected thereby (and, with respect to Letters of Credit, the applicable Issuer);

(b) Reduce the principal amount of or extend (except in accordance with Section 4.01) the scheduled final maturity of any Loan, or reduce the amount of any LC Disbursement, or extend any scheduled payment date or prepayment date of any Loan or LC Disbursement, or reduce the rate of interest or extend the time for payment of interest borne by any Loan, or extend the time for payment of or reduce the amount of any Commitment Fee or reduce or postpone the date for payment of any other fees, expenses, indemnities or amounts payable under any Loan Document, unless executed by each Lender affected thereby (and, with respect to LC Disbursements, the applicable Issuer);

(c) Change the definition of “Required Lenders”, the definition of “Defaulting Lender” or the definition of “Designated Currency” or any provision of this Agreement that states a requirement for the consent of all the Lenders or amend Section 4.12(b) or this Section 12.03, unless executed by all the Lenders;

(d) Amend the third sentence of the fourth paragraph of Section 4.05(a) or Section 12.13, unless executed by all the Lenders; or

(e) Amend or waive any of the provisions of Article XI hereof, or impose additional duties upon the Administrative Agent, any Swingline Lender or any Issuer or otherwise

adversely affect the rights, interests or obligations of the Administrative Agent, any Swingline Lender or any Issuer, unless executed by the Administrative Agent, such Swingline Lender or such Issuer, as the case may be; or

(f) Release the Parent from any of its obligations under Article X hereof, unless executed by all Lenders;

and provided, further, that (i) Assignment Agreements may be entered into in the manner provided in Section 12.14 hereof and (ii) any fees payable to the Administrative Agent for its own account may be waived by the Administrative Agent in its sole discretion. Any such amendment, modification or supplement must be in writing and shall be effective only to the extent set forth in such writing. Any Event of Default or Potential Event of Default waived or consented to in any such amendment, modification or supplement shall be deemed to be cured and not continuing to the extent and for the period set forth in such waiver or consent, but no such waiver or consent shall extend to any other or subsequent Event of Default or Potential Event of Default or impair any right consequent thereto. Notwithstanding the foregoing, upon the execution and delivery of all documentation and receipt of all consents required by Section 2.10 to be delivered in connection with an increase in the Total Revolving Credit Commitment, this Agreement shall be deemed amended without further action by any party to reflect, as applicable, the new Lenders and their new Revolving Credit Committed Amounts and any increase in the Revolving Credit Committed Amounts of any existing Lender.

If, in connection with any proposed amendment, waiver or consent requiring the consent of “all Lenders,” “each Lender” or “each Lender directly and adversely affected thereby,” the consent of the Required Lenders is obtained, but the consent of other necessary Lenders is not obtained (any such Lender whose consent is necessary but not obtained being referred to herein as a “Non-Consenting Lender”), then the Parent may elect, at the sole cost and expense of the Borrowers, to replace a Non-Consenting Lender as a Lender party to this Agreement; provided that, concurrently with such replacement, (i) another bank or other entity (which is reasonably satisfactory to the Administrative Agent, each Swingline Lender and each Issuer) shall agree, as of such date, to purchase at par for cash the Loans due to the Non-Consenting Lender and to become a Lender for all purposes under this Agreement and to assume all obligations of the Non-Consenting Lender to be terminated as of such date, and (ii) the Borrower shall pay to such Non-Consenting Lender in same day funds on the day of such replacement all amounts owed to it hereunder and under the other Loan Documents (including with respect to Section 4.08(c) hereof).

Section 12.04 No Implied Waiver; Cumulative Remedies. No course of dealing and no delay or failure of the Administrative Agent or any Issuer or Lender in exercising any right, power or privilege under this Agreement or any other Loan Document shall affect any other or future exercise thereof or exercise of any other right, power or privilege; nor shall any single or

partial exercise of any such right, power or privilege or any abandonment or discontinuance of steps to enforce such a right, power or privilege preclude any further exercise thereof or of any other right, power or privilege. The rights and remedies under this Agreement and any other Loan Document are cumulative and not exclusive of any rights or remedies which would otherwise be available at law or in equity.

Section 12.05 Notices.

(a) Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in clause (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile as follows:

(i) if to the Parent or any Other Borrower, at its address or facsimile number set forth on the signature page hereof;

(ii) if to the Administrative Agent, at its address or facsimile number set forth on the signature page hereof;

(iii) if to a Lender, to it at its address or facsimile number set forth in its Administrative Questionnaire; and

(iv) if to an Issuer, at its address set forth in its Administrative Questionnaire or its signature page hereof, as applicable.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices delivered through electronic communications to the extent provided in clause (b) below, shall be effective as provided in said clause (b).

(b) Notices and other communications to the Lenders may be delivered or furnished by electronic communication (including e-mail and internet or intranet websites) pursuant to procedures approved by the Administrative Agent or as otherwise determined by the Administrative Agent; provided that the foregoing shall not apply to notices to any Lender pursuant to Article II if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Parent may, in its respective discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it or as it otherwise determines; provided that such determination or approval may be limited to particular notices or

communications. Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement); provided that if such notice or other communication is not given during the normal business hours of the recipient, such notice or communication shall be deemed to have been given at the opening of business on the next Business Day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) Any party hereto may change its address or facsimile number for notices and other communications hereunder by written notice to (i) the Administrative Agent and the Parent in the case of a change by a Lender or an Issuer, (ii) the Administrative Agent and each Lender in the case of a change by any of the Borrowers or (iii) all other parties hereto in the case of a change by the Administrative Agent.

(d) Any Lender giving any notice to the Borrowers or any other party to a Loan Document shall simultaneously send a copy thereof to the Administrative Agent, and the Administrative Agent shall promptly notify the other Lenders of the receipt by it of any such notice.

(e) The Administrative Agent and each Lender may rely on any notice (whether or not such notice is made in a manner permitted or required by this Agreement or any Loan Document) purportedly made by or on behalf of the Borrowers, and neither the Administrative Agent nor Lender shall have any duty to verify the identity or authority of any Person giving such notice.

Section 12.06 Expenses; Indemnity; No Consequential Damages.

(a) The Parent agrees to pay or cause to be paid and to save the Agents harmless against liability for the payment of all reasonable and documented out-of-pocket costs and expenses incurred by the Agents from time to time arising from or relating to (i) the negotiation, preparation, execution and delivery of this Agreement and the other Loan Documents and (ii) the negotiation, preparation, execution and delivery of any requested amendments, modifications, supplements, waivers or consents (whether or not ultimately entered into or granted) to this Agreement or any Loan Document; provided that, in the case of legal expenses after the Closing Date, payment for such costs and expenses will be limited to the reasonable and documented fees and expenses of one primary counsel and one local counsel in each relevant jurisdiction (and, solely in the case of an actual or perceived conflict of interest, one additional counsel in each relevant jurisdiction to the affected Agents). The Parent agrees to pay or cause to be paid and to save each

Issuer harmless against liability for the payment of all reasonable and documented out-of-pocket expenses incurred by such Issuer in connection with its issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder. The Parent agrees to pay or cause to be paid and to save the Agents, each Issuer and each Lender harmless against liability for the payment of all reasonable and documented out-of-pocket expenses (including but not limited to reasonable and documented fees and expenses of legal counsel, auditors, and all other professional, accounting, evaluation and consulting costs) reasonably incurred after the occurrence of an Event of Default by the Administrative Agent, any Issuer or any Lender from time to time arising from or relating to the enforcement or preservation of rights under this Agreement or any Loan Document; provided that, in the case of legal expenses, payment for such expenses will be limited to the reasonable and documented fees and expenses of one primary counsel and local counsel in each relevant jurisdiction (and, solely in the case of an actual or perceived conflict of interest, one additional counsel in each relevant jurisdiction to the affected Persons).

(b) The Parent hereby agrees to reimburse and indemnify each of the Indemnified Parties from and against any and all losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, suits, costs or disbursements of any kind or nature whatsoever (including, without limitation, the reasonable and documented fees and disbursements of one primary counsel and of local counsel in each relevant jurisdiction for such Indemnified Party in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnified Party shall be designated a party thereto (and, solely in the case of an actual or perceived conflict of interest, one additional counsel in each relevant jurisdiction to the affected Indemnified Parties)) that may at any time be imposed on, asserted against or incurred by such Indemnified Party as a result of, or arising out of, or in any way related to or by reason of, this Agreement or any other Loan Document, any transaction from time to time contemplated hereby or thereby, any transaction supported by any Letter of Credit or financed in whole or in part or directly or indirectly with the proceeds of any Loan or Letter of Credit or any refusal by an Issuer to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit, but excluding any such losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, suits, costs or disbursements to the extent they result from (i) the gross negligence or willful misconduct of such Indemnified Party or (ii) any dispute between an Indemnified Party and one or more other Indemnified Parties (other than against an Agent, Swingline Lender or Issuer acting in such a role) that does not involve an act or omission by Parent or any of its Subsidiaries. If and to the extent that the foregoing obligations of the Parent under this clause (b), or any other indemnification obligation of the Parent hereunder or under any other Loan Document, are unenforceable for any reason, the Parent hereby agrees to make the maximum contribution to the payment and satisfaction of such obligations which is permissible under applicable Law. This

Section 12.06(b) shall not apply with respect to taxes other than any taxes that represent losses, claims, damages, etc. arising from any non-tax claim.

(c) Without limiting the provisions of Section 12.06(a) or 12.06(b), in no event will any party hereto be liable to any other party hereto for any punitive, special, indirect or consequential damages for any matters arising out of the transactions contemplated hereby; provided, however, that the foregoing limitation shall not be deemed to impair or affect the obligations of the Parent under Section 12.06(a) or Section 12.06(b).

Section 12.07 Severability. The provisions of this Agreement are intended to be severable. If any provision of this Agreement shall be held invalid or unenforceable in whole or in part in any jurisdiction such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

Section 12.08 Prior Understandings. This Agreement and the other Loan Documents supersede all prior and contemporaneous understandings and agreements, whether written or oral, among the parties hereto relating to the transactions provided for herein and therein except for the Fee Letters.

Section 12.09 Duration; Survival. All representations and warranties of each Borrower contained herein or in any other Loan Document or made in connection herewith or therewith shall survive the making of, and shall not be waived by the execution and delivery of this Agreement or any other Loan Document, any investigation by or knowledge of the Administrative Agent or any Issuer or Lender, the making of any Loan or issuance or Modification of any Letter of Credit, or any other event or condition whatever. All covenants and agreements of each Borrower contained herein or in any other Loan Document shall continue in full force and effect from and after the date hereof so long as any Borrower may borrow hereunder and until payment in full in cash of all Obligations. Without limitation, all obligations of the Borrowers hereunder or under any other Loan Document to make payments to or indemnify the Administrative Agent or any Lender shall survive the payment in full in cash of all other Obligations, termination of the Borrowers' right to borrow hereunder, and all other events and conditions whatever, including without limitation the assignment of a Lender's Commitments and Loans and LC Exposure hereunder. In addition, all obligations of each Lender to make payments to or indemnify the Administrative Agent shall survive the payment in full in cash by the Borrowers of all Obligations, termination of the Borrowers' right to borrow hereunder, and all other events or conditions whatever.

Section 12.10 Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts each of which, when so

executed, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument.

Section 12.11 Limitation on Payments. The parties hereto intend to conform to all applicable Laws in effect from time to time limiting the maximum rate of interest that may be charged or collected. Accordingly, notwithstanding any other provision hereof or of any other Loan Document, the Borrowers shall not be required to make any payment to or for the account of any Lender, and each Lender shall refund any payment made by the Borrowers, to the extent that such requirement or such failure to refund would violate or conflict with nonwaivable provisions of applicable Laws limiting the maximum amount of interest which may be charged or collected by such Lender.

Section 12.12 Set-Off. Each Borrower hereby agrees that if an Event of Default has occurred and is continuing, each Lender and Issuer shall have the right, without notice to such Borrower, to set off against and to appropriate and apply to such Obligation any matured indebtedness or other fixed liability or matured obligation of any nature owing to such Borrower by such Lender or Issuer, including but not limited to all deposits (whether time or demand, general or special, provisionally credited or finally credited, whether or not evidenced by a certificate of deposit) now or hereafter maintained by such Borrower with such Lender or Issuer. Such right shall be absolute and unconditional in all circumstances and, without limitation, shall exist whether or not such Lender, such Issuer or any other Person shall have given notice or made any demand to such Borrower or any other Person, and regardless of the existence or adequacy of any collateral, guaranty or any other security, right or remedy available to any Lender, Issuer or any other Person. Each Borrower hereby agrees that any Participant and any branch, subsidiary or Affiliate of any Lender or Issuer or any Participant shall have the same rights of set-off as a Lender or Issuer as provided in this Section (regardless of whether such Participant, branch, subsidiary or Affiliate would otherwise be deemed in privity with or a direct creditor of such Borrower). The rights provided by this Section are in addition to all other rights of set-off and banker's lien and all other rights and remedies which any Lender or Issuer (or any such Participant, branch, subsidiary or Affiliate) may otherwise have under this Agreement, any other Loan Document, at law or in equity, or otherwise, and nothing in this Agreement or any Loan Document shall be deemed a waiver or prohibition of or restriction on the rights of set-off or bankers' lien of any such Person.

Section 12.13 Sharing of Collections. The Lenders hereby agree among themselves that if any Lender shall receive (by voluntary payment, realization upon security, set-off or from any other source) any amount on account of the Revolving Credit Loans or Swingline Loans and interest thereon or participations in Swingline Loans or unreimbursed LC Disbursements in greater proportion (determined by reference to the aggregate Revolving Credit Exposures at such time) than any such amount received by any other Lender, then the Lender receiving such proportionately greater payment shall notify each other Lender and the Administrative Agent of such receipt, and

equitable adjustment will be made in the manner stated in this Section so that, in effect, all such excess amounts will be shared ratably among all of the Lenders. The Lender receiving such excess amount shall purchase (which it shall be deemed to have done simultaneously upon the receipt of such excess amount) for cash from the other Lenders a participation in the applicable Revolving Credit Loans and interest thereon and participations in Swingline Loans or unreimbursed LC Disbursements owed to such other Lenders in such amount as shall result in a ratable sharing by all Lenders of such excess amount (and to such extent the receiving Lender shall be a Participant). If all or any portion of such excess amount is thereafter recovered from the Lender making such purchase, such purchase shall be rescinded and the purchase price restored to the extent of such recovery, together with interest or other amounts, if any, required by Law to be paid by the Lender making such purchase. Each Borrower hereby consents to and confirms the foregoing arrangements. Each Participant shall be bound by this Section as fully as if it were a Lender hereunder.

Section 12.14 Successors and Assigns; Participations; Assignments.

(a) Successors and Assigns. The terms and provisions of the Loan Documents shall be binding upon and inure to the benefit of the Borrowers, the Administrative Agent, the Issuers and the Lenders and their respective successors and assigns permitted hereby, except that (i) the Borrowers shall not have the right to assign their respective rights or obligations under the Loan Documents without the prior written consent of each Lender (except as provided Section 9.01(f)), (ii) any assignment by any Lender must be made in compliance with Section 12.14(c), and (iii) any transfer by participation must be made in compliance with Section 12.14(b). Any attempted assignment or transfer by any party not made in compliance with this Section 12.14 shall, subject to Section 12.14(c)(iii), be null and void. The parties to this Agreement acknowledge that clause (ii) of this Section 12.14(a) relates only to absolute assignments and this Section 12.14 does not prohibit assignments creating security interests, including, without limitation, (x) any pledge or assignment by any Lender of all or any portion of its rights under this Agreement and any Note to a Federal Reserve Bank or any central bank or (y) in the case of a Lender which is a Fund, any pledge or assignment of all or any portion of its rights under this Agreement and any Note to its trustee in support of its obligations to its trustee; provided, however, that no such pledge or assignment creating a security interest shall release the Assignor Lender from its obligations hereunder unless and until the parties thereto have complied with the provisions of Section 12.14(c). The Administrative Agent may treat the Person which made any Loan or which holds any Note as the owner thereof for all purposes hereof unless and until such Person complies with Section 12.14(c); provided, however, that the Administrative Agent may in its discretion (but shall not be required to) follow instructions from the Person which made any Loan or which holds any Note to direct payments relating to such Loan or Note to another Person. Any assignee of the rights to any Loan or any Note agrees by acceptance of such assignment to be bound by all the terms and provisions of the Loan Documents. Any request, authority or consent of any Person, who at the time of making such request or giving such authority or consent is the owner of the rights to any Loan (whether or

not a Note has been issued in evidence thereof), shall be conclusive and binding on any subsequent holder or assignee of the rights to such Loan.

(b) Participations.

(i) Permitted Participants; Effect. Any Lender may at any time sell to one or more banks or other entities (“Participants”) participating interests in any Loan owing to such Lender, any Note held by such Lender, any Revolving Credit Commitment of such Lender or any other interest of such Lender under the Loan Documents. In the event of any such sale by a Lender of participating interests to a Participant, such Lender’s obligations under the Loan Documents shall remain unchanged, such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, such Lender shall remain the owner of its Loans and the holder of any Note issued to it in evidence thereof for all purposes under the Loan Documents, all amounts payable by the Borrowers under this Agreement shall be determined as if such Lender had not sold such participating interests, and the Borrowers, the Issuers, the Swingline Lenders and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under the Loan Documents.

(ii) Voting Rights. Each Lender shall retain the sole right to approve, without the consent of any Participant, any amendment, modification or waiver of any provision of the Loan Documents other than any amendment, modification or waiver with respect to any Loan or Commitment in which such Participant has an interest which would require consent of all of the Lenders pursuant to the terms of Section 12.03(a), (b), (c), (d) or (f).

(iii) Benefit of Certain Provisions. The Parent and each of the Other Borrowers agrees that each Participant shall be entitled to the benefits of Sections 4.07, 4.08 and 4.09 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 12.14(c); provided that (i) a Participant shall not be entitled to receive any greater payment under Section 4.07, 4.08 or 4.09 than the Lender who sold the participating interest to such Participant would have received had it retained such interest for its own account, unless the sale of such interest to such Participant is made with the prior written consent of the Parent, and (ii) any Participant agrees to comply with the provisions of Section 4.09 to the same extent as if it were a Lender.

(iv) Participant Register. Each Lender that sells a participation shall, acting solely for this purpose a non-fiduciary agent of the Parent,

maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement (the "Participant Register"). The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary; provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register to the Parent or any other Person (including the identity of any Participant or any information relating to a Participant's interest under the Loan Documents) except to the extent that such disclosure is necessary to establish that the Loans or other obligations under the Loan Documents are in registered form under Section 5f-103-1(c) of the United States Treasury Regulations.

(c) Assignments.

(i) Permitted Assignments. Any Lender (each an "Assignor Lender") may at any time assign to one or more banks or other entities (each an "Assignee Lender") all or any part of its rights and obligations under the Loan Documents. Such assignment shall be substantially in the form of Exhibit E or in such other form as may be agreed to by the parties thereto (an "Assignment Agreement"). Each such assignment with respect to an Assignee Lender which is not a Lender, an Affiliate of a Lender or an Approved Fund shall either be in an amount equal to the entire applicable Revolving Credit Commitment and Loans of the Assignor Lender or (unless each of the Parent and the Administrative Agent otherwise consents) be in an aggregate amount not less than \$5,000,000. The amount of the assignment shall be based on the Revolving Credit Commitment or outstanding Loans (if the Revolving Credit Commitment has been terminated) subject to the assignment, determined as of the date of such assignment or as of the "Trade Date," if the "Trade Date" is specified in the assignment. After giving effect to any assignment, the remaining Revolving Credit Commitment of the assigning Lender (or, if the Revolving Credit Commitments have been terminated, then the aggregate principal amount of Loans held by the assigning Lender) shall either be zero or be at least \$10,000,000. Unless such assignment is consented to by the Parent or is required by applicable law, no assignment may be made to an Affiliate of the assigning Lender if such assignment would increase the amounts payable by any Borrower hereunder. No assignment may be made hereunder if such assignment violates applicable law.

(ii) Consents. The consent of the Parent shall be required prior to an assignment becoming effective unless the Assignee Lender is a Lender, an Affiliate of a Lender or an Approved Fund; provided that the consent of the Parent shall be deemed to have been given if the Parent has not responded within fifteen (15) Business Days of a request for such consent and; provided, further, that the consent of the Parent shall not be required if an Event of Default under Section 9.01(a), (b), (i) or (j) has occurred and is continuing. The consent of the Administrative Agent, each Swingline Lender and each Issuer shall be required prior to an assignment becoming effective; provided that the consent of the Administrative Agent shall not be required for an assignment to a Lender, an Affiliate of a Lender or an Approved Fund. Any consent required under this Section 12.14(c) shall not be unreasonably withheld or delayed.

(iii) Effect; Effective Date. Upon (i) delivery to the Administrative Agent of an assignment, together with any consents required by Section 12.14(c)(ii), and (ii) payment of a \$3,500 fee to the Administrative Agent for processing such assignment (unless such fee is waived by the Administrative Agent), such assignment shall become effective on the effective date specified in such assignment. The assignment shall contain a representation by the Assignee Lender to the effect that none of the consideration used to make the purchase of the Revolving Credit Commitment and Loans under the applicable assignment agreement constitutes “plan assets” as defined under ERISA and that the rights and interests of the Assignee Lender in and under the Loan Documents will not be “plan assets” under ERISA. On and after the effective date of such assignment, such Assignee Lender shall for all purposes be a Lender party to this Agreement and any other Loan Document executed by or on behalf of the Lenders and shall have all the rights and obligations of a Lender under the Loan Documents, to the same extent as if it were an original party thereto, and the Assignor Lender shall be released with respect to the Revolving Credit Commitment and Loans and LC Exposure assigned to such Assignee Lender without any further consent or action by the Borrowers, the Lenders or the Administrative Agent. In the case of an assignment covering all of the Assignor Lender’s rights and obligations under this Agreement, such Lender shall cease to be a Lender hereunder but shall continue to be entitled to the benefits of, and subject to, those provisions of this Agreement and the other Loan Documents which survive payment of the Obligations and termination of the applicable agreement. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 12.14(c) shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 12.14(b). Upon the consummation of

any assignment to an Assignee Lender pursuant to this Section 12.14(c), the Assignor Lender, the Administrative Agent and the Borrowers shall, if the Assignor Lender or the Assignee Lender desires that its Loans be evidenced by Notes, make appropriate arrangements so that new Notes or, as appropriate, replacement Notes are issued to such Assignor Lender and new Notes or, as appropriate, replacement Notes, are issued to such Assignee Lender, in each case in principal amounts reflecting their respective Revolving Credit Commitments, as adjusted pursuant to such assignment.

(d) Register. The Administrative Agent shall maintain at its office a copy of each assignment hereunder delivered to it and a register (the "Register") for the recordation of the names and addresses of the Lenders and the Commitments of, and principal amount (and stated interest) of the Loans and LC Disbursements owing to, each Lender from time to time. The entries in the Register shall be conclusive absent manifest error and the Borrowers, the Administrative Agent, the Issuers and the Lenders shall treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of the Agreement. The Register shall be available for inspection by the Borrowers or any Issuer or Lender, as to its commitment only, at any reasonable time and from time to time upon reasonable prior notice.

(e) Financial and Other Information. Each Borrower authorizes the Administrative Agent and each Issuer and Lender to disclose to any Participant, Assignee Lender or any Affiliate of such Lender (each, a "transferee") and any prospective transferee any and all financial and other information in such Person's possession concerning any Borrower and their respective Subsidiaries and Affiliates which has been or may be delivered to such Person by or on behalf of any Borrower in connection with this Agreement or any other Loan Document or such Person's credit evaluation of any Borrower and their respective Subsidiaries and Affiliates; provided that such transferee or prospective transferee agrees in writing to maintain the confidentiality of any such information provided by the Parent pursuant to Section 7.01(c)(iv) hereof. At the request of any Lender, the Parent, at the Parent's expense, shall provide to each prospective transferee the conformed copies of documents referred to in Section 7 of the form of Assignment Agreement.

Section 12.15 Judgment Currency.

(a) Judgment Currency. The specification in this Agreement and in the Notes of payment in a particular currency at the Administrative Agent's Office is of the essence hereof and thereof. If any court or tribunal shall render a judgment or order for the payment of any amounts owing by any Borrower to any Issuer or Lender or the Administrative Agent under this Agreement or any Note or for the payment by any Borrower of damages in respect of any breach of this Agreement or any Note or under or in respect of a judgment or order of another court or tribunal for payment of such amounts or damages, and if such judgment or order is expressed in a

currency (the “Judgment Currency”) other than the currency payable hereunder (the “Contractual Currency”), the Relevant Borrower shall indemnify and hold harmless such Issuer or Lender or the Administrative Agent against any deficiency in terms of the Contractual Currency in the amounts received by such Issuer or Lender or the Administrative Agent arising or resulting from any variation as between (i) the rate of exchange at which the Contractual Currency is converted into the Judgment Currency for the purposes of such judgment or order and (ii) the rate of exchange at which such Issuer or Lender or the Administrative Agent would, in accordance with normal banking procedures, purchase the Contractual Currency with the amount of the Judgment Currency actually received by such Issuer or Lender or the Administrative Agent on the Business Day following such receipt by such Issuer or Lender or the Administrative Agent.

(b) Liquidation Currency. If any Borrower shall wind up, liquidate, dissolve or become bankrupt while there remains outstanding any amounts owing by such Borrower to any Issuer or Lender or the Administrative Agent under this Agreement or any Note or any damages owing by such Borrower to any Issuer or Lender or the Administrative Agent in respect of a breach of this Agreement or any Note or any judgment or order rendered against such Borrower in respect of such amounts or damages, such Borrower shall indemnify and hold such Issuer or Lender or the Administrative Agent harmless against any deficiency in terms of the Contractual Currency in the amounts received by such Issuer or Lender or the Administrative Agent arising or resulting from any variation as between (i) the rate of exchange at which the Contractual Currency is converted into another currency (the “Liquidation Currency”) for purposes of such winding-up, liquidation, dissolution or bankruptcy with regard to the amount in the Contractual Currency due under this Agreement or any Note (other than this Section 12.15(b)) or under any judgment or order into which the relevant obligations under this Agreement or any Note shall have been merged and (ii) the rate of exchange at which such Issuer or Lender or the Administrative Agent would, in accordance with normal banking procedures, be able to purchase the Contractual Currency with the Liquidation Currency at the earlier of (A) the date of payment of such amounts or damages and (B) the final date or dates for the filing of proofs of a claim in such winding-up, liquidation, dissolution or bankruptcy. As used in the preceding sentence, the “final date or dates for the filing of proofs of a claim in a winding-up, liquidation, dissolution or bankruptcy” shall be the date fixed by the liquidator or other appropriate Person or otherwise applicable under applicable Law as being the last practicable date as of which the liabilities of the Borrower may be ascertained for such winding-up, liquidation, dissolution or bankruptcy before payment by the liquidator or other appropriate Person in respect thereof.

(c) Independent Obligations. The indemnities provided by Sections 12.15(a) and (b) hereof shall constitute obligations of each Borrower separate and independent from its other obligations under this Agreement and the Notes, shall give rise to separate and independent causes of action against each Borrower, shall apply irrespective of any indulgence granted by any Issuer or Lender or the Administrative Agent from time to time and shall continue in full force and

effect notwithstanding any judgment or order or the filing of any proof or proofs in the winding-up, liquidation, dissolution or bankruptcy of any Borrower for a liquidated sum or sums in respect of other amounts due under this Agreement or any Note or any damages owing to any Issuer or Lender or the Administrative Agent in respect of a breach of this Agreement or any Note or any judgment rendered in respect of such amounts or damages.

Section 12.16 Governing Law; Submission to Jurisdiction: Waiver of Jury Trial.

(a) Governing Law. THIS AGREEMENT AND ALL OTHER LOAN DOCUMENTS (EXCEPT TO THE EXTENT, IF ANY, OTHERWISE EXPRESSLY STATED IN SUCH OTHER LOAN DOCUMENTS) SHALL BE GOVERNED BY, CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CHOICE OF LAW PRINCIPLES.

(b) Certain Waivers. EACH BORROWER, LENDER, ISSUER AND THE ADMINISTRATIVE AGENT WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT OR PROCEEDING BY ANY PERSON ARISING FROM OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENTS OR ANY STATEMENT, COURSE OF CONDUCT, ACT, OMISSION OR EVENT OCCURRING IN CONNECTION HEREWITH OR THEREWITH (COLLECTIVELY, "RELATED LITIGATION"). IN ADDITION, EACH BORROWER HEREBY IRREVOCABLY AND UNCONDITIONALLY:

(i) AGREES THAT ANY RELATED LITIGATION BY ANY ISSUER OR LENDER OR THE ADMINISTRATIVE AGENT MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION SITTING IN NEW YORK COUNTY, NEW YORK, AND SUBMITS TO THE JURISDICTION OF SUCH COURTS (BUT NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE ADMINISTRATIVE AGENT OR ANY ISSUER, LENDER OR BORROWER TO BRING ANY ACTION, SUIT OR PROCEEDING IN ANY OTHER FORUM);

(ii) WAIVES ANY OBJECTION WHICH IT MAY HAVE AT ANY TIME TO THE LAYING OF VENUE OF ANY RELATED LITIGATION BROUGHT IN ANY SUCH COURT, WAIVES ANY CLAIM THAT ANY SUCH RELATED LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM, AND WAIVES ANY RIGHT TO OBJECT, WITH RESPECT TO ANY RELATED LITIGATION BROUGHT IN ANY SUCH COURT, THAT SUCH COURT DOES NOT HAVE JURISDICTION OVER SUCH BORROWER; AND

(iii) CONSENTS AND AGREES TO SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER LEGAL PROCESS IN ANY RELATED LITIGATION BY REGISTERED OR CERTIFIED U.S. MAIL, POSTAGE PREPAID, TO SUCH BORROWER AT THE ADDRESS FOR NOTICES DESCRIBED IN SECTION 12.05 HEREOF, AND CONSENTS AND AGREES THAT SUCH SERVICE SHALL CONSTITUTE IN EVERY RESPECT VALID AND EFFECTIVE SERVICE (BUT NOTHING HEREIN SHALL AFFECT THE VALIDITY OR EFFECTIVENESS OF PROCESS SERVED IN ANY OTHER MANNER PERMITTED BY LAW).

Section 12.17 USA PATRIOT Act Notification. The following notification is provided to the Borrowers pursuant to Section 326 of the USA PATRIOT Act:

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person or entity that opens an account, including any deposit account, treasury management account, loan, other extension of credit, or other financial services product. What this means for the Borrowers: When the Borrower opens an account, if the Borrower is an individual, the Administrative Agent and the Lenders will ask for the Borrower's name, residential address, tax identification number, date of birth, and other information that will allow the Administrative Agent and the Lenders to identify the Borrower, and, if the Borrower is not an individual, the Administrative Agent and the Lenders will ask for the Borrower's name, tax identification number, business address, and other information that will allow the Administrative Agent and the Lenders to identify the Borrower. The Administrative Agent and the Lenders may also ask, if the Borrower is an individual, to see the Borrower's driver's license or other identifying documents, and, if the Borrower is not an individual, to see the Borrower's legal organizational documents or other identifying documents.

Section 12.18 Confidentiality. The Administrative Agent and each Issuer and Lender agrees to hold any non-public information which it may receive from the Borrowers in connection with this Agreement in confidence, except for disclosure (i) to its Affiliates and any agents engaged in connection with this Agreement and to the Administrative Agent and any Issuer or other Lender and their respective Affiliates and any agents engaged in connection with this Agreement, (ii) to legal counsel, accountants, and other professional advisors and agents to such Person, (iii) to regulatory officials and agencies or self-regulatory body or to any credit insurance provider relating to the Borrowers and their obligations under the Loan Documents, (iv) to any Person as required by law, regulation, or legal process, (v) to any Person in connection with any

legal proceeding to which it is a party to the extent such disclosure is required by law, (vi) to its direct or indirect contractual counterparties in swap agreements involving this Agreement or to legal counsel, accountants and other professional advisors to such counterparties, (vii) subject to an agreement containing provisions substantially the same as those of this Section, to any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement and (viii) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder. The Borrowers agree that the terms of this Section 12.18 shall set forth the entire agreement between the Borrowers and each Issuer and Lender (including the Administrative Agent) with respect to any confidential information previously or hereafter received by such Issuer or Lender in connection with this Agreement, and this Section 12.18 shall supersede any and all prior confidentiality agreements entered into by such Issuer or Lender with respect to such confidential information. In connection with any disclosure of confidential information pursuant to item (i), (ii) or (vi) above, the disclosing party shall inform the Persons to whom such disclosure is made of the confidential nature of such information and instruct them to keep such information confidential.

Section 12.19 Platform.

(a) The Borrowers agree that the Administrative Agent may, but shall not be obligated to, make the Communications (as defined below) available to the Issuers and the other Lenders by posting the Communications on Debt Domain, Intralinks, Syndtrak or a substantially similar electronic transmission system (the "Platform").

(b) The Platform is provided "as is" and "as available." The Agents Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall the Administrative Agent or any of its Affiliates, officers, directors, employees, agents or advisors (collectively, the "Agent Parties") have any liability to the Borrowers, any Lender or any other Person or entity for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the Borrowers' or the Administrative Agent's transmission of communications through the Platform. "Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of the Borrowers pursuant to any Loan Document or the transactions contemplated therein which is distributed to the Administrative Agent, any Lender or any Issuer by means of electronic communications pursuant to this Section, including through the Platform.

Section 12.20 Termination of Existing Credit Agreement. Each Lender that is a party to the Existing Agreement hereby waives the requirement set forth in Section 2.05(c) of the Existing Agreement that the Parent give at least five Business Days' notice of termination of the "Total Revolving Credit Commitment" as defined in the Existing Agreement.

Section 12.21 Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

[signature pages follow]

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

PARENT

AIR PRODUCTS AND CHEMICALS, INC.

By: _____

Name:

Title:

Address for Notices:

Air Products and Chemicals, Inc.

7201 Hamilton Boulevard

Allentown, PA 18195-1501

Attention: Assistant Treasurer

Telephone: 610-481-2058

Facsimile: 610-706-6887

[Signature Page to Air Products Credit Agreement]

ADMINISTRATIVE AGENT

WELLS FARGO BANK, N.A.,
as Administrative Agent, a Lender, an Issuer and as Swingline Lender

By: _____

Name:

Title:

Address for Notices:

[Signature Page to Air Products Credit Agreement]

BNP PARIBAS,
as a Lender and an Issuer

By: _____
Name:
Title:

DEUTSCHE BANK AG NEW YORK BRANCH,
as a Lender and an Issuer

By: _____
Name:
Title:

HSBC BANK USA, N.A.,
as a Lender and an Issuer

By: _____
Name:
Title:

MIZUHO BANK, LTD.,
as a Lender and an Issuer

By: _____
Name:
Title:

[Signature Page to Air Products Credit Agreement]

[Name of Lender:]

[•]

By: _____

Name:

Title:

[Signature Page to Air Products Credit Agreement]

SCHEDULE I

PRICING SCHEDULE

“Applicable Pricing Grid”: with respect to Base Rate Loans, Euro-Rate Loans CDOR Loans and the Commitment Fee Rate, on any date, shall be as set forth in the table below based on the Public Debt Ratings in effect on such date:

Public Debt Ratings	Applicable Margin for Euro-Rate Loans, CDOR Loans and Swingline Loans	Applicable Margin for Base Rate Loans	Commitment Fee Rate
≥AA- or Aa3	0.625%	0.00%	0.050%
A+ or A1	0.750%	0.00%	0.060%
A or A2	0.875%	0.00%	0.070%
A- or A3	1.000%	0.00%	0.090%
≤BBB+ or Baa1	1.125%	0.125%	0.125%

For purposes of the foregoing, (a) if the Public Debt Ratings established or deemed to have been established by Standard & Poor’s Financial Services LLC (“S&P”) and Moody’s Investors Service, Inc. (“Moody’s”) shall be changed (other than as a result of a change in the rating system of S&P or Moody’s), such change shall be effective as of the date on which it is first announced by the applicable rating agency; (b) if the Public Debt Ratings established or deemed to have been established by S&P and Moody’s shall fall within different levels, the Applicable Margin and Commitment Fee Rate shall be based on the higher of the two ratings unless one of the two ratings is two or more levels lower than the other, in which case the Applicable Margin and Commitment Fee Rate shall be determined by reference to the level next below that of the higher of the two ratings; and (c) if either S&P or Moody’s shall not have in effect a Public Debt Rating (other than by reason of the circumstances referred to in the last sentence of this paragraph), then such rating agency shall be deemed to have established a rating below BBB+/Baa1. Each change in the Applicable Margin and Commitment Fee Rate shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of S&P or Moody’s shall change, the Parent and the Lenders shall negotiate in good faith to amend this paragraph to reflect such changed rating system and, pending the effectiveness of any such amendment, the Applicable Margin and Commitment Fee Rate shall be determined by reference to the rating most recently in effect prior to such change.

SCHEDULE II

INITIAL OTHER BORROWERS

None.

SCHEDULE III

ADMINISTRATIVE AGENT'S OFFICE*

Servicing Contact Information

Jessica Grenia (Primary contact)

Deal Administrator

Phone: (704) 590-5353

Fax: (704) 715-0017

Email: jessica.grenia@wellsfargo.com

Group E-mail (Secondary Contact): AgencyServices.Requests@wellsfargo.com

Escalation Points of Contact

Shawn Horton – Agency Manager

Phone: (704) 590-2727

Fax: (704) 715-0017

Email: Shawn.Horton@wellsfargo.com

Thomas Parks – Agency Manager

Phone: (704) 590-2603

Cell: (704) 591-8245

E-mail: Thomas.Parks@wellsfargo.com

Bonnie Kuhlmeier – Agency Manager

Phone: (704) 590-2792

E-mail: Bonnie.Kuhlmeier@wellsfargo.com

Charlotte Agency Services Hours of Operation

Deal Administrator hours are from 8:30 a.m. – 5:30 p.m. EST

Wiring Instructions

Wells Fargo Bank, N.A.

Charlotte, NC USA

Agency Services Clearing A/C ABA: 121000248

Acct: 01104331628807

Ref: Air Products

Attn: Financial Cash Controls

* or such other address and/or contact information as may be designated by the Administrative Agent with respect to any Designated Currency. In case of any such designation, the times specified in this Agreement shall, where relevant, be adjusted to the appropriate local times.

#89365364v21

SCHEDULE IV.A

REVOLVING CREDIT COMMITTED AMOUNTS

WELLS FARGO BANK, N.A.	\$200,000,000
BNP PARIBAS	\$200,000,000
DEUTSCHE BANK AG NEW YORK BRANCH	\$200,000,000
HSBC BANK USA, N.A.	\$200,000,000
MIZUHO BANK, LTD.	\$200,000,000
BANK OF AMERICA, N.A.	\$175,000,000
BARCLAYS BANK PLC	\$175,000,000
CITIBANK, N.A.	\$175,000,000
JPMORGAN CHASE BANK, N.A.	\$175,000,000
SUMITOMO MITSUI BANKING CORPORATION	\$175,000,000
THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.	\$175,000,000
BANCO SANTANDER, S.A.	\$75,000,000
BBVA, S.A. NEW YORK BRANCH	\$75,000,000
ING BANK N.V., DUBLIN BRANCH	\$75,000,000
INTESA SANPAOLO	\$75,000,000
LLOYDS BANK PLC	\$75,000,000
THE BANK OF NOVA SCOTIA	\$75,000,000
TOTAL	\$2,500,000,000

SCHEDULE IV.B

LETTER OF CREDIT COMMITTED AMOUNTS

WELLS FARGO BANK, N.A.	\$100,000,000
BNP PARIBAS	\$100,000,000
DEUTSCHE BANK AG NEW YORK BRANCH	\$100,000,000
HSBC BANK USA, N.A.	\$100,000,000
MIZUHO BANK, LTD.	\$100,000,000
TOTAL	\$500,000,000

SCHEDULE IV.C

SWINGLINE LOANS COMMITTED AMOUNTS

WELLS FARGO BANK, N.A.
TOTAL

\$100,000,000
\$100,000,000

SCHEDULE V

MANDATORY COSTS RATE FORMULA

1. Amounts payable by reference to the Mandatory Costs Rate are additions to the interest rate to compensate Lenders for the cost of compliance with (a) the requirements of the Bank of England and/or the Financial Services Authority (or, in either case, any other authority which replaces all or any of its functions) or (b) the requirements of the European Central Bank.
2. The Mandatory Costs Rate for any Lender lending from a lending office in a participating member state of the European Community relating to Economic and Monetary Union (other than the United Kingdom) that has adopted the Euro as its lawful currency will be the percentage reasonably determined by such Lender to be the cost (expressed as a percentage of that Lender's participation in all Revolving Credit Loans made from such office) of complying with the minimum reserve requirements of the European Central Bank in respect of loans made from such office.
3. The Mandatory Costs Rate for any Lender lending from a lending office in the United Kingdom will be calculated by such Lender as follows:

(a) in relation to a sterling Loan:

$$\frac{AB + C(B - D) + E \times 0.01}{100 - (A + C)}$$

percent per annum

(b) in relation to a Loan in any currency other than sterling:

$E \times$

$$\frac{0.01}{300}$$

percent per annum.

Where:

A is the percentage of Eligible Liabilities (assuming these to be in excess of any stated minimum) which such Lender is from time to time required to maintain as an interest free cash ratio deposit with the Bank of England to comply with cash ratio requirements.

B is the percentage rate of interest (excluding the Applicable Margin and the Mandatory Costs Rate and, if applicable, the additional rate of interest specified in Section 4.05(b) (*Default interest*)) payable for the relevant Funding Segment on the applicable Loan.

C is the percentage (if any) of Eligible Liabilities which such Lender is required from time to time to maintain as interest bearing Special Deposits with the Bank of England.

D is the percentage rate per annum payable by the Bank of England to such Lender on interest bearing Special Deposits.

E is designed to compensate Lenders for amounts payable under the Fees Rules and is calculated by the applicable Lender as being the rate of charge payable by such Lender to the Financial Services Authority pursuant to the Fees Rules in respect of the relevant financial year of the Financial Services Authority (calculated for this purpose by such Lender as being the average of the Fee Tariffs applicable to such Lender for that financial year) and expressed in pounds per £1,000,000 of the Tariff Base of such Lender.

4. For the purposes of this Schedule:

(a) “Eligible Liabilities” and “Special Deposits” have the meanings given to them from time to time under or pursuant to the Bank of England Act 1998 or (as may be appropriate) by the Bank of England;

(b) “Fees Rules” means the rules on periodic fees contained in the FSA Supervision Manual or such other law or regulation as may be in force from time to time in respect of the payment of fees for the acceptance of deposits;

(c) “Fee Tariffs” means the fee tariffs specified in the Fees Rules under the activity group A.1 Deposit acceptors (ignoring any minimum fee or zero rated fee required pursuant to the Fees Rules but taking into account any applicable discount rate); and

(d) “Tariff Base” has the meaning given to it in, and will be calculated in accordance with, the Fees Rules.

5. In application of the above formulae, A, B, C and D will be included in the formulae as percentages (i.e. 5 percent will be included in the formula as 5 and not as 0.05). A negative result obtained by subtracting D from B shall be taken as zero. The resulting figures shall be rounded to four decimal places.

6. The Administrative Agent may from time to time, after consultation with the Parent and the Lenders, determine and notify to all parties to the

Agreement any amendments which are required to be made to this Schedule in order to comply with any change in law, regulation or any requirements from time to time imposed by the Bank of England, the Financial Services Authority or the European Central Bank (or, in any case,

any other authority which replaces all or any of its functions) and any such determination shall, in the absence of manifest error, be conclusive and binding on all parties to the Agreement.

#09365364v21

[FORM OF REVOLVING CREDIT NOTE]

[•], [•]
, 2017

FOR VALUE RECEIVED, the undersigned, [NAME OF PARENT or ADDITIONAL OTHER BORROWER] [a corporation] (the "Borrower"), promises to pay to the order of [NAME OF LENDER] (the "Lender") on or before the Revolving Credit Maturity Date, and at such earlier dates as may be required by the Agreement (as defined below), the aggregate unpaid principal amount of all Revolving Credit Loans made by the Lender to the Borrower from time to time pursuant to the Agreement. The Borrower further promises to pay to the order of the Lender interest on the unpaid principal amount of such Revolving Credit Loans from time to time outstanding at the rate or rates per annum determined pursuant to the Agreement, payable on the dates set forth in the Agreement.

This Note is one of the "Revolving Credit Notes" as referred to in, and is entitled to the benefits of, the Revolving Credit Agreement, dated as of March 31, 2017, by and among Air Products and Chemicals, Inc., the Other Borrowers parties thereto from time to time, the Lenders parties thereto from time to time and Wells Fargo Bank, N.A., as Administrative Agent (as the same may be amended, restated, modified or supplemented from time to time, the "Agreement"), which among other things provides for the acceleration of the maturity hereof upon the occurrence of certain events and for prepayments in certain circumstances and upon certain terms and conditions. Terms defined in the Agreement have the same meanings herein.

The Borrower hereby expressly waives presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Note and the Agreement (other than notice of acceleration as required by Section 9.02 of the Agreement).

This Note shall be governed by, construed and enforced in accordance with the laws of the State of New York, without regard to principles of choice of law.

[NAME OF BORROWER]

By: _____
Title: _____

#89365364v21

[FORM OF COMPETITIVE BID NOTE]

[•], [•]
, 2017

FOR VALUE RECEIVED, the undersigned, [NAME OF PARENT or ADDITIONAL OTHER BORROWER], [a corporation] (the “Borrower”), promises to pay to the order of [NAME OF LENDER] (the “Lender”) on or before the applicable Competitive Bid Loan Maturity Date, and at such earlier dates as may be required by the Agreement (as defined below), the aggregate unpaid principal amount of each Competitive Bid Loan made by the Lender to the Borrower from time to time pursuant to the Agreement. The Borrower further promises to pay to the order of the Lender interest on the unpaid principal amount of such Competitive Bid Loans from time to time outstanding at the rate or rates per annum determined pursuant to the Agreement, payable on the dates set forth in the Agreement.

This Note is one of the “Competitive Bid Notes” as referred to in, and is entitled to the benefits of, the Revolving Credit Agreement, dated as of March 31, 2017, by and among Air Products and Chemicals, Inc., the Other Borrowers parties thereto from time to time, the Lenders parties thereto from time to time and Wells Fargo Bank, N.A., as Administrative Agent (as the same may be amended, restated, modified or supplemented from time to time, the “Agreement”), which among other things provides for the acceleration of the maturity hereof upon the occurrence of certain events and for prepayments in certain circumstances and upon certain terms and conditions. Terms defined in the Agreement have the same meanings herein.

The Borrower hereby expressly waives presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Note and the Agreement (other than notice of acceleration as required by Section 9.02 of the Agreement.)

This Note shall be governed by, construed and enforced in accordance with the laws of the State of New York, without regard to principles of choice of law.

[NAME OF BORROWER]

By: _____

Title: _____

#89365364v21

[FORM OF COMPETITIVE BID LOAN QUOTE REQUEST]

, 201_

To: Wells Fargo Bank, N.A.,
as Administrative Agent

From: Air Products and Chemicals, Inc.

Re: Competitive Bid Loan Quote Request

Pursuant to Section 3.02(a) of the Revolving Credit Agreement dated as of March 31, 2017, by and among Air Products and Chemicals, Inc., the Other Borrowers parties thereto from time to time, the Lenders parties thereto from time to time and Wells Fargo Bank, N.A., as Administrative Agent (as the same may from time to time be amended, restated, modified or supplemented, the "Agreement"), we hereby give notice that we request Competitive Bid Loan Quotes for the following proposed Competitive Bid Borrowing(s):

<u>Borrowing Date</u>	<u>Borrower</u>	<u>Principal Amount¹</u>	<u>Type²</u>	<u>Interest Period³</u>	<u>Currency</u>
-----------------------	-----------------	-------------------------------------	-------------------------	------------------------------------	-----------------

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

AIR PRODUCTS AND CHEMICALS, INC.

By: _____

Title: _____

¹ Each amount must be a Dollar Equivalent Amount of \$5,000,000 or a higher integral multiple of \$1,000,000.

² Insert either "LIBOR-based Margin" (in the case of LIBOR-based Loans) or "Absolute Rate" (in the case of Absolute Rate Loans).

³ Each Interest Period must be not less than seven days.

[FORM OF COMPETITIVE BID LOAN QUOTE]

, 201_

Wells Fargo Bank, N.A.,
as Administrative Agent
7000 Central Pkwy
Atlanta, GA 30328

Attention:

Re: Competitive Bid Loan Quote to Air Products and Chemicals, Inc. (the "Parent")

This Competitive Bid Loan Quote is given in accordance with Section 3.02(c) of the Revolving Credit Agreement dated as of March 31, 2017, by and among the Parent, the Other Borrowers parties thereto from time to time, the Lenders parties thereto from time to time and Wells Fargo Bank, N.A., as Administrative Agent (as the same may from time to time be amended, restated, modified or supplemented, the "Agreement"). Terms defined in the Agreement are used herein as defined therein.

In response to the Parent's Competitive Bid Loan Quote Request dated _____, 201_, we hereby make the following Competitive Bid Loan Quote(s) on the following terms:

1. Quoting Bank:
2. Person to contact at Quoting Bank:
3. We hereby offer to make Competitive Bid Loan(s) in the following principal amounts, for the following Interest Periods and at the following rates:

Borrowing Date¹	Borrower	Principal Amount²	Type³	Interest Period⁴	Rate⁵	Currency
-----------------------------------	-----------------	-------------------------------------	-------------------------	------------------------------------	-------------------------	-----------------

We understand and agree that the offer(s) set forth above, subject to the satisfaction of the applicable conditions set forth in the Agreement, irrevocably obligate(s) us to make the Competitive Bid Loan(s) for which any offer(s) [is] [are] accepted, in whole or in part (subject to Section 3.02(f) of the Agreement).

Very truly yours,

[LENDER]

By: _____
Authorized Officer

¹ As specified in the related Competitive Bid Loan Quote Request.

² The principal amount bid for each Interest Period may not exceed the principal amount of Competitive Bid Loans requested. Bids must be made for a Dollar Equivalent Amount of at least \$5,000,000 or a higher integral multiple of \$1,000,000.

³ Indicate "LIBOR-based Margin" (in the case of LIBOR-based Loans) or "Absolute Rate" (in the case of Absolute Rate Loans).

⁴ Must be not less than seven days, as specified in the related Competitive Bid Loan Quote Request.

⁵ For a LIBOR-based Loan, specify margin over or under the LIBO-Rate determined for the applicable Interest Period (as percentage rounded to the nearest 1/10,000 of 1%) and specify whether "PLUS" or "MINUS". For an Absolute Rate Loan, specify rate of interest per annum (rounded to the nearest 1/10,000 of 1%).

[FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT]

This Assignment and Assumption (the “Assignment and Assumption”) is dated as of the Effective Date set forth below and is entered into by and between [*Insert name of Assignor*] (the “Assignor”) and [*Insert name of Assignee*] (the “Assignee”). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the “Credit Agreement”), receipt of a copy of which is hereby acknowledged by the Assignee. The Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor’s rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any letters of credit and guarantees included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the “Assigned Interest”). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor:
2. Assignee:
3. Borrower(s): Air Products and Chemicals, Inc. [*add any Other Borrowers*]
4. Administrative Agent: Wells Fargo Bank, N.A., as the administrative agent under the Credit Agreement.

5. Credit Agreement: The \$2,500,000,000 Revolving Credit Agreement dated as of March 31, 2017 among Air Products and Chemicals, Inc., the Other Borrowers parties thereto, the Lenders parties thereto and Wells Fargo Bank, N.A., as Administrative Agent.

6. Assigned Interest:

Aggregate Amount of Commitment/Loans for all Lenders	Amount of Commitment/Loans Assigned	Percentage of Commitment/Loans Assigned
\$	\$	%
\$	\$	%
\$	\$	%

7. Trade Date:

¹ Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

Effective Date: _____, 201_ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER BY THE ADMINISTRATIVE AGENT.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR
[NAME OF ASSIGNOR]

By: _____
Title: _____

ASSIGNEE
[NAME OF ASSIGNEE]

By: _____
Title: _____

Consented to and Accepted:

WELLS FARGO BANK, N.A.,
as Administrative Agent

By: _____
Title: _____

Consented to:

WELLS FARGO BANK, N.A.,
as an Issuer and a Swingline Lender²

By: _____
Title: _____

² To be changed to the successor Issuer or Swingline Lender if such Issuer or Swingline Lender above is replaced pursuant to Section 2.04(f) or Section 2.11(h) of the Credit Agreement.

BNP PARIBAS, as an Issuer³

By: ___

Title: ___

DEUTSCHE BANK AG NEW YORK BRANCH, as an Issuer⁴

By: ___

Title: ___

HSBC BANK USA, N.A., as an Issuer⁵

By: ___

Title: ___

MIZUHO BANK, LTD., as an Issuer⁶

By: ___

Title: ___

[AIR PRODUCTS AND CHEMICALS, INC.

By: ___

Title: ___]⁷

[____], as an Issuer⁸

By: ___

Title: ___

[____], as a Swingline Lender⁹

By: ___

Title: ___

- ³ To be changed to the successor Issuer if such Issuer above is replaced pursuant to Section 2.11(h) of the Credit Agreement.
- ⁴ To be changed to the successor Issuer if such Issuer above is replaced pursuant to Section 2.11(h) of the Credit Agreement.
- ⁵ To be changed to the successor Issuer if such Issuer above is replaced pursuant to Section 2.11(h) of the Credit Agreement.
- ⁶ To be changed to the successor Issuer if such Issuer above is replaced pursuant to Section 2.11(h) of the Credit Agreement.
- ⁷ To be added only if the consent of the Parent is required by the terms of the Credit Agreement.
- ⁸ To include any new Issuer pursuant to Section 2.11(j) of the Credit Agreement.
- ⁹ To include any new Swingline Lender pursuant to Section 2.04(e) of the Credit Agreement.

ANNEX 1
TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Parent, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Parent, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2 Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 7.01(c) thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, (v) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, and (vi) if it is organized under the Laws of a jurisdiction outside the United States, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents,

and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York without regard to choice of law principles.

[FORM OF BORROWER ACCESSION INSTRUMENT]

TO: Wells Fargo Bank, N.A.,
as Administrative Agent

FROM: [Name of additional Other Borrower]
Air Products and Chemicals, Inc.

DATE: _____

Reference is made to the Revolving Credit Agreement dated as of March 31, 2017 among Air Products and Chemicals, Inc., the Other Borrowers parties thereto from time to time, the Lenders parties thereto from time to time and Wells Fargo Bank, N.A., as Administrative Agent (as amended, restated, modified or supplemented from time to time, the "Credit Agreement").

[NAME OF ADDITIONAL OTHER BORROWER], a corporation (the "Additional Other Borrower"), agrees to become an Other Borrower and to be bound by the terms of the Credit Agreement as an Other Borrower.

Attached to this Borrower Accession Instrument are the following documents:

(a) A certificate dated the date hereof and signed by a Vice President of the Parent, together with an executed copy for each Lender, to the effect that each of the representations and warranties made by the Parent in Sections 5.03, 5.04, 5.05, 5.07 and 5.08 of the Credit Agreement with respect to the Additional Other Borrower is true and correct on and as of the date hereof as if made on and as of the date hereof;

(b) Certified copies of all corporate action taken by the Additional Other Borrower to authorize the execution and delivery of this Borrower Accession Instrument, the Credit Agreement and the Notes;

(c) Copies of the articles or certificate of incorporation of the Additional Other Borrower, together with all amendments, and a certificate of good standing, each certified by the appropriate governmental officer in its jurisdiction of incorporation, as well as any other information required by Section 326 of the USA PATRIOT ACT or necessary for the Administrative Agent or any Lender to verify the identity of the Additional Other Borrower as required by Section 326 of the USA PATRIOT Act; and

(d) If requested, Notes duly executed by the Additional Other Borrower conforming to the requirements of Section 2.02 of the Credit Agreement.

This Borrower Accession Instrument shall be governed by, construed and enforced in accordance with the laws of the State of New York, without regard to choice of law principles.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed and delivered this Borrower Accession Instrument as of the date first above written.

[NAME OF ADDITIONAL OTHER BORROWER]

By: _____
Title: _____

AIR PRODUCTS AND CHEMICALS, INC.

By: _____
Title: _____

ACCEPTED:

WELLS FARGO BANK, N.A.,
as Administrative Agent

By: ____
Title: _____

[FORM OF OTHER BORROWER REMOVAL NOTICE]

TO: Wells Fargo Bank, N.A.,
as Administrative Agent

FROM: [Name of Other Borrower]
Air Products and Chemicals, Inc.

Date: _____

Reference is made to the Revolving Credit Agreement dated as of March 31, 2017 among Air Products and Chemicals, Inc., the Other Borrowers parties thereto from time to time, the Lenders parties thereto from time to time and Wells Fargo Bank, N.A., as Administrative Agent (as amended, restated, modified or supplemented from time to time, the "Credit Agreement").

Notice is hereby given that:

(1) [NAME OF OTHER BORROWER], a corporation, shall cease to be an Other Borrower under the Credit Agreement effective on [DATE] and

(2) all Obligations (as defined in the Credit Agreement) of [NAME OF OTHER BORROWER] shall be repaid in full on or before such effective date.

IN WITNESS WHEREOF, the undersigned, by their officers thereunto duly authorized, have executed and delivered this Other Borrower Removal Notice as of the date first above written.

[NAME OF OTHER BORROWER]

By: _____
Title: _____

AIR PRODUCTS AND CHEMICALS, INC.

By: _____
Title: _____

#89365364v21

[FORM OF AMENDMENT FOR AN INCREASED OR NEW COMMITMENT]

This AMENDMENT is made as of the day of _____, 201_ by and among Air Products and Chemicals, Inc., a Delaware corporation, the other borrowers party to the Credit Agreement (as defined below) (collectively, the "Borrowers"), Wells Fargo Bank, N.A., as administrative agent under the Credit Agreement (the "Administrative Agent"), and (the "Supplemental Lender").

The Borrowers, the Administrative Agent and certain other Lenders, as described therein, are parties to the Revolving Credit Agreement dated as of March 31, 2017 (as amended, restated, modified or supplemented from time to time, the "Credit Agreement"). All terms used herein and not otherwise defined shall have the same meaning given to them in the Credit Agreement.

Pursuant to Section 2.10 of the Credit Agreement, the Borrowers may, at their option, seek to increase the Total Revolving Credit Commitment by obtaining additional Revolving Credit Commitments upon satisfaction of certain conditions.

The Supplemental Lender is either (a) an existing Lender that is increasing its Revolving Credit Commitment or (b) a new Lender that is a lending institution whose identity the Administrative Agent will approve by its signature below.

In consideration of the foregoing, such Supplemental Lender from and after the date hereof shall have a Revolving Credit Committed Amount of \$ as of the date hereof, and if it is a new Lender, the Supplemental Lender hereby assumes all of the rights and obligations of a Lender under the Credit Agreement.

The Borrowers have executed and delivered to the Supplemental Lender as of the date hereof, if requested by the Supplemental Lender, new or amended and restated Notes substantially in the form attached to the Credit Agreement as Exhibit A to evidence the new or increased Revolving Credit Commitment of the Supplemental Lender.

[signature page follows]

IN WITNESS WHEREOF, the Administrative Agent, the Borrowers and the Supplemental Lender have executed this Amendment as of the date shown above.

AIR PRODUCTS AND CHEMICALS, INC.

By: _____

Title: _____

[OTHER BORROWERS]

By: _____

Title: _____

[SUPPLEMENTAL LENDER]

By: _____

Title: _____

WELLS FARGO BANK, N.A.,
as Administrative Agent

By: _____

Title: _____

Consented to:

WELLS FARGO BANK, N.A.,
as an Issuer and a Swingline Lender¹

By: ___
Title: ___

BNP PARIBAS, as an Issuer²

By: ___
Title: ___

DEUTSCHE BANK AG NEW YORK BRANCH, as an Issuer³

By: ___
Title: ___

HSBC BANK USA, N.A., as an Issuer⁴

By: ___
Title: ___

MIZUHO BANK, LTD., as an Issuer⁵

By: ___
Title: ___

[____], as an Issuer⁶

By: ___
Title: ___

[____], as a Swingline Lender⁷

By: ___
Title: ___

- ¹ To be changed to the successor Issuer or Swingline Lender if such Issuer or Swingline Lender above is replaced pursuant to Section 2.04(f) or Section 2.11(h) of the Credit Agreement.
- ² To be changed to the successor Issuer if such Issuer above is replaced pursuant to Section 2.11(h) of the Credit Agreement.
- ³ To be changed to the successor Issuer if such Issuer above is replaced pursuant to Section 2.11(h) of the Credit Agreement.
- ⁴ To be changed to the successor Issuer if such Issuer above is replaced pursuant to Section 2.11(h) of the Credit Agreement.
- ⁵ To be changed to the successor Issuer if such Issuer above is replaced pursuant to Section 2.11(h) of the Credit Agreement.
- ⁶ To include any new Issuer pursuant to Section 2.11(j) of the Credit Agreement.
- ⁷ To include any new Swingline Lender pursuant to Section 2.04(e) of the Credit Agreement.

[Form of Standard Notice]

[FORM OF NOTICE OF BORROWING]¹

Pursuant to that certain Revolving Credit Agreement dated as of March 31, 2017 (as amended, amended and restated, supplemented or otherwise modified from time to time) (the “Credit Agreement”), by and among Air Products and Chemicals, Inc., the Other Borrowers parties thereto from time to time, the Lenders parties thereto from time to time and Wells Fargo Bank, N.A., as administrative agent (in such capacity, the “Administrative Agent”), this notice represents the request of [Borrower name] (the “Borrower”) to borrow as follows. Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement.

1. Identity of Borrower:
2. Designated Currency of borrowing:
3. Date of borrowing: , 201_
4. Interest rate Option(s) and principal amount(s) of borrowing: ²
 - £ (a) Base Rate Portion \$
 - £ (b) Funding Segment of Euro-Rate Portion \$ with a Funding Period of month(s)
 - £ (c) Funding Segment of CDOR Portion \$ with a Funding Period of month(s)
 - £ (d) Swingline Loan bearing interest at the LIBOR Market Index Rate
5. Type of Loans: [Revolving Credit Loan][Swingline Loan]

¹ Form of Notice of Borrowing to be used for borrowings made pursuant to Section 2.03 of the Credit Agreement.

² In the case of borrowings denominated in Dollars, the principal amount of borrowing shall be an integral multiple of \$1,000,000 and not less than \$5,000,000. In the case of borrowings denominated in a Designated Currency, the principal amount of borrowing shall have an aggregate Dollar Equivalent Amount not less than \$5,000,000 and shall be an integral multiple of the amount determined by the Administrative Agent from time to time to be the basic unit in which such currency is traded in the eurocurrency market; provided that in the case of borrowings made to refinance the reimbursement of an LC Disbursement as contemplated by Section 2.10(d) of the Credit Agreement, such borrowings may be in the amount of such LC Disbursement.

The undersigned officer (to the best of his or her knowledge and in his or her capacity as an officer, and not individually) and the Borrower certify that as of the date of the borrowing requested hereby:

(i) No Event of Default and no Potential Event of Default has occurred and is continuing on and as of such date, both immediately before and immediately after giving effect to the borrowing requested hereby; and

(ii) Each of the representations and warranties contained in Sections 5.03, 5.04, 5.05, 5.07 and 5.09 of the Credit Agreement are true and correct in all material respects on and as of such date, both immediately before and immediately after giving effect to the borrowing requested hereby.

DATED: _____, 201__

[BORROWER NAME]

By: _____

Title: _____

[FORM OF NOTICE OF CONVERSION/CONTINUATION]¹

Pursuant to that certain Revolving Credit Agreement dated as of March 31, 2017 (as amended, amended and restated, supplemented or otherwise modified from time to time) (the “Credit Agreement”), by and among Air Products and Chemicals, Inc., the Other Borrowers parties thereto from time to time, the Lenders parties thereto from time to time and Wells Fargo Bank, N.A., as administrative agent (in such capacity, the “Administrative Agent”), this represents the request of [Borrower name] (the “Borrower”) to convert or continue Loans as follows. Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement.

1. Date of conversion/continuation: _____, 201_

2. Interest rate Option(s) and principal amount(s) of Loans being converted/continued: ²
 - £ (a) Base Rate Portion \$

 - £ (b) Funding Segment of Euro-Rate Portion \$ with a Funding Period of month(s)

 - £ (c) Funding Segment of CDOR Portion \$ with a Funding Period of month(s)

3. Type of Loans being converted/continued: Revolving Credit Loans

4. Nature of conversion/continuation:
 - £ (a) Conversion of Base Rate Portion to Euro-Rate Loans with a new Funding Period of month(s) that commences on the conversion date.

 - £ (b) Conversion of Funding Segment of Euro-Rate Portion to Base Rate Loans³

 - £ (c) Continuation of Funding Segment of Euro-Rate Portion with a new Funding Period of month(s). ⁴

¹ Form of Notice of Conversion/Continuation to be used for conversion or continuation of any interest rate Option made pursuant to Section 2.06 of the Credit Agreement.

² In the case of Loans denominated in Dollars, the amount to be converted or continued shall be an integral multiple of \$1,000,000 and not less than \$5,000,000. In the case of Loans denominated in a Designated Currency, the amount to be converted or continued shall have an aggregate Dollar Equivalent Amount not less than \$5,000,000 and shall be an integral multiple of the amount determined by the Administrative Agent from time to time to be the basic unit in which such currency is traded in the eurocurrency market.

³ Conversions from Euro-Rate Option will take place at the expiration of the respective Funding Period.

⁴ Continuations of Euro-Rate Option will take place at the expiration of the respective Funding Period.

£ (d) Continuation of Funding Segment of CDOR Portion with a new Funding Period of month(s).⁵

If this notice (a) converts or continues the Euro-Rate Option with respect to any Revolving Credit Loans denominated in Dollars, (b) converts any Revolving Credit Loans to any Designated Currency other than Dollars or (c) selects a Funding Period longer than one month with respect to Revolving Credit Loans denominated in a currency other than Dollars, then the Borrower represents that no Event of Default has occurred and is continuing.

DATED: _____, 201_

[BORROWER NAME]

By: _____

Title: _____

⁵ Continuations of CDOR Option will take place at the expiration of the respective Funding Period.

AIR PRODUCTS AND CHEMICALS, INC., AND SUBSIDIARIES
COMPUTATION OF RATIOS OF EARNINGS TO FIXED CHARGES
(Unaudited)

(Millions of dollars, except ratios)	Six Months Ended 31 March	Year Ended 30 September				
	2017	2016	2015	2014	2013	2012
Earnings:						
Income from continuing operations ⁽¹⁾	\$ 568.3	\$ 1,122.0	\$ 965.9	\$ 691.0	\$ 900.0	\$ 832.2
Add (deduct):						
Provision for income taxes	172.9	432.6	300.2	258.1	275.1	221.1
Fixed charges, excluding capitalized interest	67.0	123.6	117.6	140.7	156.3	136.4
Capitalized interest amortized during the period	4.5	9.7	9.8	8.7	9.8	9.2
Undistributed earnings of equity investees	(31.5)	(51.1)	(101.8)	(74.9)	(57.1)	(62.2)
Noncontrolling interest in pre-tax income of subsidiaries that have not incurred fixed charges	(1.6)	(2.6)	(3.0)	(2.8)	—	—
Earnings, as adjusted	\$ 779.6	\$ 1,634.2	\$ 1,288.7	\$ 1,020.8	\$ 1,284.1	\$ 1,136.7
Fixed Charges:						
Interest on indebtedness, including capital lease obligations	\$ 57.0	\$ 105.8	\$ 94.6	\$ 120.1	\$ 136.7	\$ 108.1
Capitalized interest	12.2	32.7	49.1	33.0	26.0	30.2
Amortization of debt discount/premium and expense	3.0	3.6	8.2	3.9	2.1	10.6
Portion of rents under operating leases representative of the interest factor	7.1	14.2	14.8	16.7	17.5	17.7
Fixed charges⁽²⁾	\$ 79.3	\$ 156.3	\$ 166.7	\$ 173.7	\$ 182.3	\$ 166.6
Ratio of Earnings to Fixed Charges⁽³⁾	9.8	10.5	7.7	5.9	7.0	6.8

⁽¹⁾ Income from continuing operations includes income attributable to noncontrolling interests as well as business restructuring and cost reduction actions of \$60.3 (\$48.4 after-tax) in 2017, \$34.5 (\$24.7 after-tax) in 2016, \$180.1 (\$132.9 after-tax) in 2015, \$98.3 (\$67.0 after-tax) in 2013, and \$327.4 (\$222.4 after-tax) in 2012, business separation costs of \$30.2 (\$26.5 after-tax) in 2017 and \$50.6 (\$46.7 after-tax) in 2016, and a goodwill and intangible asset impairment charge of \$310.1 (\$308.8 after-tax) in 2014.

⁽²⁾ We are party to certain debt guarantees of equity affiliates. Since we have not been required to satisfy the guarantees, nor is it probable that we will, interest expense related to the guaranteed debt is not included in fixed charges.

⁽³⁾ The ratio of earnings to fixed charges is determined by dividing earnings, as adjusted, by fixed charges. Fixed charges consist of interest on all indebtedness plus that portion of operating lease rentals representative of the interest factor (deemed to be 21% of operating lease rentals).

PRINCIPAL EXECUTIVE OFFICER'S CERTIFICATION

I, Seifi Ghasemi, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Air Products and Chemicals, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 27, 2017

/s/ Seifi Ghasemi

Seifi Ghasemi

Chairman, President and Chief Executive Officer

PRINCIPAL FINANCIAL OFFICER'S CERTIFICATION

I, M. Scott Crocco, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Air Products and Chemicals, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 27, 2017

/s/ M. Scott Crocco

M. Scott Crocco

Executive Vice President and Chief Financial Officer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Air Products and Chemicals, Inc. (the "Company") on Form 10-Q for the period ending 31 March 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Seifi Ghasemi, Chairman, President and Chief Executive Officer of the Company, and M. Scott Crocco, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 27, 2017

/s/ Seifi Ghasemi

Seifi Ghasemi
Chairman, President and Chief Executive Officer

/s/ M. Scott Crocco

M. Scott Crocco
Chief Financial Officer