AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON JANUARY 19, 1995

REGISTRATION NO. 33-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM S-3

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

AIR PRODUCTS AND CHEMICALS, INC.
(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction
of incorporation or organization)

23-1274455
(I.R.S. Employer
Identification No.)

7201 HAMILTON BOULEVARD
ALLENTOWN, PENNSYLVANIA 18195-1501
(610) 481-4911
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

JAMES H. AGGER, ESQ.
Vice President, General Counsel and Secretary

AIR PRODUCTS AND CHEMICALS, INC.
7201 HAMILTON BOULEVARD
ALLENTOWN, PENNSYLVANIA 18195-1501
(610) 481-4911
(Name and address, including zip code, and telephone number, including area code, of agent for service)

COPY TO:
D. COLLIER KIRKHAM, ESQ.
CRAVATH, SWAINE & MOORE
Worldwide Plaza
825 Eighth Avenue
New York, New York 10019

Approximate date of commencement of proposed sale to the public:
From time to time after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. / /

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, please check the following box. /X/

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered(1)	Proposed maximum offering price per unit(2)	Proposed maximum aggregate offering price(2)	Amount of registration fee(2)
Debt Securities	$400,000,000	100%	$400,000,000	$137,931

(1) Any offering of Debt Securities denominated in any foreign currencies or foreign currency units will be treated as the equivalent in U.S. dollars based on the exchange rate applicable to the purchase of such Debt Securities of the Registrant.

(2) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457 under the Securities Act of 1933.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

SUBJECT TO COMPLETION, DATED JANUARY 19, 1995

PROSPECTUS SUPPLEMENT
(TO PROSPECTUS DATED JANUARY , 1995)

$400,000,000

AIR PRODUCTS AND CHEMICALS, INC.
MEDIUM-TERM NOTES, SERIES D
DUE FROM 9 MONTHS TO 20 YEARS FROM DATE OF ISSUE

Air Products and Chemicals, Inc. (the "Company"), may offer from time to time up to $400,000,000 aggregate principal amount or its equivalent in foreign currencies or currency units of its Medium-Term Notes, Series D, Due from 9 Months to 20 Years from Date of Issue (the "Notes"). Each Note will mature on a Business Day (as defined herein) from 9 months to 20 years from the date of issue, as selected by the initial purchaser and agreed to by the Company. The Notes being offered hereby may be denominated in U.S. dollars or in such foreign currencies or currency units (the "Specified Currency") as may be designated by the Company in a pricing supplement (the "Pricing Supplement") to this Prospectus Supplement at the time of the offering. See "Foreign Currency and Other Risks."

The Notes may be issued as Fixed Rate Notes, which will bear interest at a fixed rate (which may be zero in the case of certain Notes issued at a price representing a discount from the principal amount payable at maturity), or as Floating Rate Notes, which will bear interest at a rate or rates determined by reference to a Base Rate, as adusted by the Spread or Spread Multiplier, if any, each as set forth in the applicable Pricing Supplement, or as Currency Indexed Notes, the principal amount of which payable at maturity or upon earlier redemption or repayment, and/or the interest payable on each interest payment date and at maturity, is determined by the difference in the rate of exchange between the Specified Currency and another currency or currency unit on certain specified dates, or as Commodity Indexed Notes, the principal amount of which payable at maturity or upon earlier redemption or repayment, and/or the interest payable on each interest payment date and at maturity, is determined by the difference in the price of a specified commodity on certain specified dates. See "Description of Notes."

Each Note will be issued in fully registered form and will be represented by either a global certificate (a "Book-Entry Note") registered in the name of a nominee of The Depository Trust Company ("DTC") or another depositary (DTC or such other depositary as is specified in the applicable Pricing Supplement is herein referred to as the "Depositary"), or a certificate issued in definitive form (a "Certificated Note"), as set forth in the applicable Pricing Supplement. Interests in Book-Entry Notes will be shown on, and transfers thereof will be effected only through, records maintained by the Depositary and its participants. See "Description of Notes -- Book-Entry System." The Notes will be issued in denominations of $100,000 and any larger amount that is an integral multiple of $1,000 or, in the case of Notes denominated in a Specified Currency other than U.S. dollars, in the denominations set forth in the applicable Pricing Supplement.

The interest rate or interest rate formula, issue price, Specified Currency, stated maturity and redemption and repayment provisions, if any, for each Note, whether such Note is a Fixed Rate Note or a Floating Rate Note, whether such Note is a Currency Indexed Note or Commodity Indexed Note and whether such Note is a Book-Entry Note or a Certificated Note will be established by the Company at the date of issuance of such Note and will be set forth in the applicable Pricing Supplement to this Prospectus Supplement. Interest rates and interest rate formulae are subject to change by the Company, but no such change will affect the interest rate on, or interest rate formula for, any Note theretofore issued or which the Company has agreed to sell. See "Description of Notes."

Unless otherwise indicated in the applicable Pricing Supplement, interest on Fixed Rate Notes will be payable on each June 15 and December 15 and at maturity. Interest on Floating Rate Notes will be payable on the dates indicated herein and in the applicable Pricing Supplement. See "Description of Notes -- Interest Rates."

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES

COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT, ANY PRICING SUPPLEMENT HERETO OR THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	PRICE TO PUBLIC(1)	AGENTS' COMMISSIONS(2)	PROCEEDS TO COMPANY(2)(3)
Per Note.....	100%	.125% - .625%	99.375% - 99.875%
Total (4).....	$400,000,000	$ 500,000 - $2,500,000	$399,500,000 - $397,500,000

(1) Unless otherwise indicated in the Pricing Supplement relating thereto, each Note will be issued at 100% of its principal amount.
(2) The Company will pay a commission to Lehman Brothers, Lehman Brothers Inc. (including its affiliate Lehman Government Securities Inc.) and Goldman, Sachs & Co. (each an Agent and collectively the "Agents"), in the form of a discount, ranging from .125% to .625% of the principal amount of a Note, depending upon its maturity, sold through such Agent. Any Agent, acting as principal, may also purchase Notes at a discount for resale to one or more investors or one or more broker-dealers (acting as principal for purposes of resale) at varying prices related to prevailing market prices at the time of resale, as determined by such Agent, or, if so agreed, at a fixed public offering price. Unless otherwise specified in the applicable Pricing Supplement, any Note sold to an Agent as principal will be purchased by such Agent at a price equal to 100% of the principal amount thereof less a percentage equal to the commission applicable to an agency sale of a Note of identical maturity. The Company has agreed to indemnify each Agent against certain liabilities, including liabilities under the Securities Act of 1933, as amended. In the case of Notes sold directly to purchasers by the Company, no commission will be paid.
(3) Before deducting expenses payable by the Company estimated at $300,000.
(4) Or the equivalent thereof in other currencies or currency units.

The Notes are being offered on a continuous basis by the Company through the Agents, each of which has agreed to use its reasonable best efforts to solicit purchases of the Notes. The Company may sell Notes to any Agent, as principal, for resale to one or more investors or to one or more broker-dealers (acting as principal for purposes of resale) at varying prices related to prevailing market prices at the time of resale, as determined by such Agent, or, if so agreed, at a fixed public offering price. The Company reserves the right to sell Notes directly to purchasers on its own behalf or to use additional agents to solicit offers to purchase Notes. The Notes will not be listed on any securities exchange, and there can be no assurance that the Notes will be sold or that there will be a secondary market for the Notes. The Company reserves the right to withdraw, cancel or modify the offer made hereby without notice. The Company or the Agent that solicits any offer to purchase Notes may reject such offer in whole or in part. See "Plan of Distribution."

LEHMAN BROTHERS GOLDMAN, SACHS & CO.

January , 1995

This Prospectus Supplement contains brief summaries of certain documents incorporated by reference in the Prospectus. Such summaries are qualified in their entirety by the detailed information contained in the incorporated documents.

DESCRIPTION OF NOTES

The following description of the particular terms of the Notes offered hereby supplements, and to the extent inconsistent therewith replaces, the description of the general terms of the Securities (as such term is used in the accompanying Prospectus) under the heading "Description of Securities" in the accompanying Prospectus, to which description reference is hereby made. Capitalized terms not defined herein or in the Prospectus have the meanings specified in the Indenture and/or the Notes.

GENERAL

The Notes constitute a single series for purposes of the Indenture and are limited to an aggregate principal amount of $400,000,000 or its equivalent at the time of issuance in foreign currencies or currency units. The foregoing limit may be increased by the Company if in the future it determines that it may wish to sell additional Notes. The Company may from time to time sell additional series of Securities, including additional series of medium-term notes.

The Notes will be offered on a continuous basis, and each Note will mature on a Business Day from nine months to twenty years from its date of issuance, as selected by the initial purchaser and agreed to by the Company. Each Note will be denominated in United States dollars ("$," "dollars" or "U.S. dollars") or the Specified Currency, as specified in the applicable Pricing Supplement. Each Note will bear interest at either (i) a fixed rate or (ii) a floating rate determined by reference to the Commercial Paper Rate (as defined below), LIBOR, the Treasury Rate (as defined below) or such other interest rate or formula (the "Base Rate") specified in the applicable Pricing Supplement, which may be adjusted by a Spread and/or a Spread Multiplier (each as defined below). Each Floating Rate Note will mature on an Interest Payment Date (as defined below) for such Note.

The Notes may be issued as Currency Indexed Notes, the principal amount of which payable at maturity or upon earlier redemption or repayment, and/or the interest payable on each Interest Payment Date and at the Maturity Date, will be determined by the difference in the rate of exchange between the Specified Currency and another currency or currency unit set forth in the applicable Pricing Supplement on certain specified dates, or as Commodity Indexed Notes, the principal amount of which payable at maturity or upon earlier redemption or repayment, and/or the interest payable on each Interest Payment Date and at the Maturity Date, will be determined by the difference in the price of a specified commodity on certain specified dates. See "Currency Indexed Notes" and "Commodity Indexed Notes."

Each Note will be issued initially as either a Book-Entry Note or a Certificated Note in fully registered form without coupons. Except as set forth under "Book-Entry System" below, Book-Entry Notes will not be issuable in certificated form.

The Notes will be issued in denominations of $100,000 and any larger amount that is an integral multiple of $1,000 for Notes denominated in U.S. dollars, except as otherwise specified in the applicable Pricing Supplement, and for Notes denominated in foreign currencies or currency units, the denominations described below under "Special Provisions Relating to Multi-Currency Notes." The Notes will constitute unsecured, unsubordinated indebtedness of the Company and will rank pari passu with all other unsecured, unsubordinated indebtedness of the Company.

The Notes will not be subject to any sinking fund and will not be redeemable at the option of the Company or repayable at the option of the holders thereof prior to their stated maturity, except as may otherwise be provided in the applicable Pricing Supplement. The Company may discharge its indebtedness and its obligations or certain of its obligations under the Indenture with respect to the Notes as described under "Description of Securities -- Defeasance of the Indenture and Securities" in the accompanying Prospectus.

The Pricing Supplement relating to a Note will describe the following terms: (1) the Specified Currency of such Note; (2) if other than 100%, the price (expressed as a percentage of the aggregate principal amount thereof) at which such Note will be issued; (3) the date on which such Note will be issued; (4) the date on which such Note will mature (the "Maturity Date"); (5) whether such Note may be redeemed or repaid prior to maturity, and if so, the provisions relating to such redemption or repayment; (6) whether such Note is a Fixed Rate Note or a Floating Rate Note; (7) if such Note is a Fixed Rate Note, the rate per annum at which such Note will bear interest; (8) if such Note is a Floating Rate Note, the Base Rate, the Initial Interest Rate, the Interest Payment Dates, the Reset Period, the Index Maturity, the Maximum Interest Rate and the Minimum Interest Rate, if any, and the Spread or Spread Multiplier, if any (all as defined herein), and any other terms relating to the particular method of calculating the interest rate or rates for such Note; (9) whether such Note is a Currency Indexed Note or a Commodity Indexed Note; (10) if such Note is a Currency Indexed Note, the Specified Currency, the Indexed Currency, the Face Amount, the Base Exchange Rate, the Base Interest Rate, if any, the Determination Agent and the Reference Dealers (all as defined below) relating to such Currency Indexed Note and certain other information relating to Currency Indexed Notes; (11) if such Note is a Commodity Indexed Note, the methods for determining the principal amount payable at maturity and/or the interest payable on each Interest Payment Date and at maturity and other information relating to Commodity Indexed Notes; (12) whether such Note will be issued initially as a Book-Entry Note or a Certificated Note; and (13) any other terms of such Note not inconsistent with the provisions of the Indenture.

Notes may be issued in the form of Discount Notes (as defined below under "Certain U.S. Federal Income Tax Considerations -- U.S. Holders -- Original Issue Discount"), including certain Notes offered at a discount from the principal amount thereof due at the stated maturity of such Notes. There may or may not be any periodic payments of interest on Discount Notes. In the event of an acceleration of the maturity of any Discount Note, the amount payable to the holder of such Discount Note upon such acceleration will be determined in accordance with the applicable Pricing Supplement and the terms of such security, but may be an amount less than the amount payable at the maturity of the principal of such Discount Note. For federal income tax considerations with respect to Discount Notes, see "Certain U.S. Federal Income Tax Considerations -- U.S. Holders -- Original Issue Discount" herein.

The Notes may be presented for registration of transfer or exchange at the Corporate Trust Office of the Trustee in the Borough of Manhattan, The City of New York.

References to the "Securities" in the Prospectus include the Notes. For a further description of the Trustee and the rights attaching to different series of Securities under the Indenture, including the covenants, modification provisions and events of default relating to the Notes, see "Description of Securities" in the Prospectus. Unless otherwise specified in the applicable Pricing Supplement, each Note will have the terms described below.

"Business Day" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close in New York, New York or (i) with respect to Notes denominated in a Specified Currency other than U.S. dollars, the principal financial center of the country of the Specified Currency as specified in the applicable Pricing Supplement, (ii) with respect to Notes denominated in European Currency Units ("ECUs"), Brussels, Belgium or (iii) with respect to LIBOR Notes, London, England. "London

Banking Day" means any day on which dealings in deposits in U.S. dollars are transacted in the London interbank market.

PAYMENT OF PRINCIPAL AND INTEREST

Payments of principal of and interest on all Notes will be made in the applicable Specified Currency, provided that holders of certain Notes denominated in a Specified Currency other than U.S. dollars may elect to have such payments converted to U.S. dollars. See "Special Provisions Relating to Multi-Currency Notes -- Payment of Principal and Interest." Unless otherwise specified in the applicable Pricing Supplement, interest on the Certificated Notes (other than interest paid on the Maturity Date or upon earlier redemption or repayment) will be paid by mailing a check (from an account at a bank outside of the United States if such check is payable in a Specified Currency other than U.S. dollars) to the holder at the address of such holder appearing on the register for the Notes on the applicable Record Date (as defined below). At the option of the Company or the holder of Certificated Notes in an aggregate principal amount exceeding $5.0 million or the equivalent thereof in a Specified Currency, interest on the Certificated Notes (other than interest paid on the Maturity Date or upon earlier redemption or repayment) will be paid by wire transfer to an account maintained by such holder with a bank located in the United States for payments in U.S. dollars or the country of the Specified Currency for other payments (which shall be Belgium in the case of ECUs), provided that any such holder selecting such option shall have designated such account by written notice to the Trustee no later than the Record Date preceding the applicable Interest Payment Date. In the case of a Note issued between a Record Date and the initial Interest Payment Date relating to such Record Date, interest for the period ending on such initial Interest Payment Date shall be paid to the person to whom such Note shall have been originally issued. Payments of principal and interest on the Certificated Notes will be made, if at maturity or upon earlier redemption, then on the Maturity Date or the date fixed for redemption, as applicable, upon surrender of the Certificated Notes at the Corporate Trust Office of the Trustee in The City of New York, and if upon repayment prior to maturity, then on the applicable date for repayment (the "Repayment Date"), provided that the holder shall have complied with the requirements for repayment set forth herein and in the Certificated Notes. See "Repayment" below. All such payments at maturity or upon any earlier redemption or repayment shall be made in immediately available funds, provided that the Certificated Notes to be paid are presented to the Corporate Trust Office of the Trustee in The City of New York in time for the Trustee to make such payments in such funds in accordance with its normal procedures. Any such payments made in a Specified Currency other than U.S. dollars shall be made by wire transfer to an account maintained by the holder, as designated by the holder by written notice to the Trustee at least 15 calendar days prior to the date fixed for payment, with a bank located in the country of the Specified Currency (which shall be Belgium in the case of ECUs). Beneficial owners of Book-Entry Notes will be paid in accordance with the Depositary's and its participants' procedures in effect from time to time as described under "Book-Entry System" below.

Any payment of interest or principal required to be made on an Interest Payment Date, at the Maturity Date, on a date fixed for redemption or on a Repayment Date which is not a Business Day need not be made on such day, but may be made, except as provided below with respect to LIBOR Notes (as defined below), on the next succeeding Business Day with the same force and effect as if made on the Interest Payment Date, at the Maturity Date, on the date fixed for redemption or on the Repayment Date, as the case may be, and no additional interest shall accrue as a result of such delayed payment. The Company will pay any administrative costs imposed by banks in connection with making payments by wire transfer, but any tax, assessment or governmental charge imposed upon payments will be borne by the holders of the Notes in respect of which payments are made.

INTEREST RATES

Interest rates, Base Rates, Spreads and Spread Multipliers are subject to change by the Company from time to time, but no such change will affect any Note theretofore issued or which the Company has agreed to sell. Unless otherwise indicated in the applicable Pricing Supplement, the Interest

Payment Dates and the Record Dates for each Fixed Rate Note shall be as described below under "Fixed Rate Notes." The Interest Payment Dates for each Floating Rate Note shall be as indicated in the applicable Pricing Supplement, and unless otherwise specified in the applicable Pricing Supplement, the Record Dates for a Floating Rate Note will be the fifteenth day (whether or not a Business Day) next preceding each Interest Payment Date.

FIXED RATE NOTES

Each Fixed Rate Note will bear interest from its date of issue at the annual rate stated on the face thereof and in the applicable Pricing Supplement until the principal amount thereof is paid on the maturity date, or upon earlier redemption or repayment, if applicable. Unless otherwise indicated in the applicable Pricing Supplement (and except as provided above in "Payment of Principal and Interest"), the Interest Payment Dates for the Fixed Rate Notes will be June 15 and December 15 of each year, and the Record Dates will be June 1 and December 1 of each year. Interest on Fixed Rate Notes will be computed and paid on the basis of a 360-day year of twelve 30-day months.

FLOATING RATE NOTES

Each Floating Rate Note will bear interest from its date of issue to the first Interest Reset Date (as defined below) for such Note at the Initial Interest Rate set forth on the face thereof and in the applicable Pricing Supplement. Thereafter, the interest rate on each Floating Rate Note for each Reset Period (as defined below) will be equal to the interest rate calculated by reference to the Base Rate specified on the face thereof and in the applicable Pricing Supplement plus or minus a fixed percentage per annum (the "Spread"), if any, or times a fixed factor (the "Spread Multiplier"), if any, in each case as specified in the applicable Pricing Supplement, until the principal thereof is paid on the maturity date, or upon earlier redemption or repayment, if applicable. The Base Rate for a Floating Rate Note will be (a) the Commercial Paper Rate, in which case such Note shall be a "Commercial Paper Rate Note," (b) LIBOR, in which case such Note shall be a "LIBOR Note," (c) the Treasury Rate, in which case such Note shall be a "Treasury Rate Note" or (d) such other Base Rate, in each case as is specified on the face of the Floating Rate Note and in the applicable Pricing Supplement.

The Company will appoint, and enter into an agreement with, an agent (a "Calculation Agent") to calculate interest rates on Floating Rate Notes. Unless otherwise provided in a Pricing Supplement, the Calculation Agent for each Floating Rate Note will be the Trustee.

The rate of interest on each Floating Rate Note will be reset daily, weekly, monthly, quarterly, semiannually or annually (such type of period being the "Reset Period" for such Note, and the first day of each Reset Period being an "Interest Reset Date"), as specified on the face thereof and in the applicable Pricing Supplement. Unless otherwise specified in the applicable Pricing Supplement, the Interest Reset Dates will be: in the case of Floating Rate Notes that reset daily, each Business Day; in the case of Floating Rate Notes (other than Treasury Rate Notes) that reset weekly, Wednesday of each week; in the case of Treasury Rate Notes that reset weekly, Tuesday of each week; in the case of Floating Rate Notes that reset monthly, the third Wednesday of each month; in the case of Floating Rate Notes that reset quarterly, the third Wednesday of each March, June, September and December; in the case of Floating Rate Notes that reset semiannually, the third Wednesday of each of two months of each year specified on the face thereof and in the applicable Pricing Supplement; and, in the case of Floating Rate Notes that reset annually, the third Wednesday of one month of each year specified on the face thereof and in the applicable Pricing Supplement; provided, however, that the interest rate in effect for the ten days immediately prior to the Maturity Date of a Floating Rate Note, or, with respect to any portion of the principal amount of a Floating Rate Note to be redeemed or repaid, if applicable, the date of redemption or Repayment Date, will be that in effect on the tenth day preceding such Maturity Date or such date of redemption or Repayment Date. If an Interest Reset Date for a Floating Rate Note would otherwise be a day that is not a Business Day, the Interest Reset Date for such Floating Rate Note shall be postponed to the next day that is a Business Day, except that, in the case of a LIBOR Note, if such Business Day is in the next succeeding calendar month, such Interest Reset Date shall be the immediately preceding Business Day.

The interest rate for each Reset Period will be the rate determined by the Calculation Agent by reference to an interest determination date pertaining to such Reset Period. The interest determination date pertaining to a Reset Period for a Commercial Paper Rate Note (the "Commercial Paper Interest Determination Date") will be the Business Day prior to the Interest Reset Date that commences such Reset Period. The interest determination date pertaining to a Reset Period for a LIBOR Note (the "LIBOR Interest Determination Date") will be the second London Banking Day prior to the Interest Reset Date that commences such Reset Period. The interest determination date pertaining to a Reset Period for a Treasury Rate Note (the "Treasury Interest Determination Date") will be the day of the week in which the Interest Reset Date that commences such Reset Period falls on which Treasury bills would normally be auctioned. Treasury bills are usually sold at auction on Monday of each week, unless that day is a legal holiday, in which case the auction is usually held on the following Tuesday, except that such auction may be held on the preceding Friday. If, as the result of a legal holiday, an auction is so held on the preceding Friday, such Friday will be the Treasury Interest Determination Date pertaining to the Reset Period commencing in the next succeeding week. If an auction date shall fall on any Interest Reset Date for a Treasury Rate Note, then such Interest Reset Date shall instead be the first Business Day immediately following such auction date.

Except as provided below, interest on Floating Rate Notes will be payable, in the case of Floating Rate Notes that reset daily, weekly or monthly, on the third Wednesday of each month as specified on the face thereof and in the applicable Pricing Supplement; in the case of Floating Rate Notes that reset quarterly, on the third Wednesday of March, June, September and December of each year; in the case of Floating Rate Notes that reset semiannually, on the third Wednesday of each of two months of each year specified on the face thereof and in the applicable Pricing Supplement; and, in the case of Floating Rate Notes that reset annually, on the third Wednesday of one month of each year specified on the face thereof and in the applicable Pricing Supplement (each such day being an "Interest Payment Date"). If an Interest Payment Date with respect to a Floating Rate Note would otherwise fall on a day that is not a Business Day, such Interest Payment Date will be the following day that is a Business Day, except that, in the case of a LIBOR Note, if such Business Day falls in the next calendar month, such Interest Payment Date will be the immediately preceding Business Day.

Unless otherwise indicated in the applicable Pricing Supplement, each payment of interest on a Floating Rate Note will include interest accrued to but excluding the applicable Interest Payment Date; provided, however, that if the interest rate on such Note resets daily or weekly, interest payable on any Interest Payment Date, other than interest payable on any date on which principal for such Note is payable, will include interest accrued to and including the immediately preceding Record Date. Accrued interest from the date of issue or from the last date to which interest has been paid is calculated by multiplying the face amount of a Note by an accrued interest factor. This accrued interest factor is computed by adding the interest factors calculated for each day from the date of issue, or from the last date to which interest has been paid, to the date for which accrued interest is being calculated. The interest factor (expressed as a decimal rounded upward, if necessary, to the nearest one hundred-thousandth of a percentage point (e.g., 9.876541%, or .09876541, being rounded to 9.87655%, or .0987655, respectively)) for each such day is computed by dividing the interest rate (expressed as a decimal rounded upward, if necessary, to the nearest one hundred-thousandth of a percentage point) applicable to such date by 360, in the case of Commercial Paper Rate Notes and LIBOR Notes, or by the actual number of days in the year, in the case of Treasury Rate Notes.

The Calculation Agent will, upon the request of the holder of any Floating Rate Note, provide the interest rate then in effect and, if determined, the interest rate that will become effective on the next Interest Reset Date with respect to such Note.

Any Floating Rate Note may also have either or both of the following: (i) a maximum numerical interest rate limitation, or ceiling, on the rate of interest that may accrue during any Reset Period (a "Maximum Interest Rate") and (ii) a minimum numerical interest rate limitation, or floor, on the rate of interest that may accrue during any Reset Period (a "Minimum Interest Rate"). The interest rate on the Notes will in no event be higher than the maximum rate permitted by New York law as the same

may be modified by United States law of general application. Under present New York law, the maximum rate of interest is 25% per annum on a simple interest basis. This limit may not apply to Notes in which $2,500,000 or more has been invested.

"Index Maturity" is the particular maturity of the type of instrument or obligation from which a Base Rate is calculated.

Commercial Paper Rate Notes

Each Commercial Paper Rate Note will bear interest for each Reset Period at the interest rate (calculated with reference to the Commercial Paper Rate on the Commercial Paper Interest Determination Date for such Reset Period and the Spread or Spread Multiplier, if any) specified in such Note and in the applicable Pricing Supplement.

Unless otherwise indicated in the applicable Pricing Supplement, "Commercial Paper Rate" means, with respect to any Commercial Paper Interest Determination Date, the Money Market Yield (calculated as described below) of the rate on that date for commercial paper having the Index Maturity designated in the applicable Pricing Supplement placed on behalf of industrial issuers whose corporate bonds are rated "AA," or the equivalent, from a nationally recognized securities rating agency as such rate is made available by the Federal Reserve Bank of New York for such date. In the event that such rate is not made available by the Federal Reserve Bank of New York by 3:00 p.m., New York City time, on such Commercial Paper Interest Determination Date, then the Commercial Paper Rate for such Commercial Paper Interest Determination Date shall be calculated by the Calculation Agent and shall be the Money Market Yield of the arithmetic mean (each as rounded upward, if necessary, to the nearest one hundred-thousandth of a percentage point) of the offered rates for such commercial paper quoted as of 11:00 a.m., New York City time, on such Commercial Paper Interest Determination Date by three leading dealers of commercial paper in The City of New York selected, after consultation with the Company, by the Calculation Agent; provided, however, that if the dealers selected as aforesaid by the Calculation Agent are not quoting as mentioned in this sentence, the Commercial Paper Rate with respect to such Commercial Paper Interest Determination Date will be the Commercial Paper Rate in effect on such Commercial Paper Interest Determination Date.

"Money Market Yield" shall be a yield (expressed as a percentage rounded upwards, if necessary, to the nearest one hundred-thousandth of a percentage point) calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where "D" refers to the per annum rate for the commercial paper, quoted on a bank discount basis and expressed as a decimal, and "M" refers to the actual number of days in the interest period for which interest is being calculated.

LIBOR Notes

Each LIBOR Note will bear interest for each Reset Period at the interest rate (calculated with reference to LIBOR on the LIBOR Interest Determination Date for such Reset Period and the Spread or Spread Multiplier, if any) specified in such Note and in the applicable Pricing Supplement.

Unless otherwise indicated in the applicable Pricing Supplement, LIBOR will be determined by the Calculation Agent in accordance with the following provisions:

(i) On each LIBOR Interest Determination Date, LIBOR will be, as specified in the applicable Pricing Supplement, either: (a) the arithmetic mean of the offered rates for deposits having the Index Maturity designated in the applicable Pricing Supplement, commencing on the second London Business Day immediately following such LIBOR Interest Determination Date, that appear on the Reuters Screen LIBO Page as of 11:00 a.m., London time, on such LIBOR

Interest Determination Date, if at least two such offered rates appear on the Reuters Screen LIBO Page ("LIBOR Reuters"), or (b) the rate for deposits having the Index Maturity designated in the applicable Pricing Supplement, commencing on the second London Business Day immediately following such LIBOR Interest Determination Date, that appears on Telerate Page 3750 as of 11:00 a.m., London time, on such LIBOR Interest Determination Date ("LIBOR Telerate"). "Reuters Screen LIBO Page" means the display designated as page "LIBO" on the Reuters Monitor Money Rates Service (or such other page as may replace page LIBO on that service for the purpose of displaying London interbank offered rates of major banks). "Telerate Page 3750" means the display designated as page "3750" on the Telerate Service (or such other page as may replace the 3750 page on that service or such other service or services as may be nominated by the British Bankers' Association for the purpose of displaying London interbank offered rates for deposits). If neither LIBOR Reuters nor LIBOR Telerate is specified in the applicable Pricing Supplement, LIBOR will be determined as if LIBOR Telerate had been specified. If at least two such offered rates appear on the Reuters Screen LIBO Page, the rate in respect of such LIBOR Interest Determination Date will be the arithmetic mean of such offered rates as determined by the Calculation Agent. If fewer than two offered rates appear on the Reuters Screen LIBO Page, or if no rate appears on Telerate Page 3750, as applicable, LIBOR in respect of such LIBOR Interest Determination Date will be determined as if the parties had specified the rate described in (ii) below.

(ii) On any LIBOR Interest Determination Date on which fewer than two offered rates appear on the Reuters Screen LIBO Page, as specified in (i)(a) above, or on which no rate appears on Telerate Page 3750, as specified in (i)(b) above, as applicable, LIBOR will be determined on the basis of the rates at which deposits having the Index Maturity designated in the applicable Pricing Supplement are offered at approximately 11:00 a.m., London time, on such LIBOR Interest Determination Date by four major banks in the London interbank market (the "Reference Banks") selected, after consultation with the Company, by the Calculation Agent to prime banks in the London interbank market having the Index Maturity designated in the applicable Pricing Supplement, commencing on the second London Banking Day immediately following such LIBOR Interest Determination Date and in a principal amount equal to an amount of not less than $1,000,000 that is representative for a single transaction in such market at such time. The Calculation Agent will request the principal London office of each of such Reference Banks to provide a quotation of its rate. If at least two such quotations are provided, LIBOR in respect of such LIBOR Interest Determination Date will be the arithmetic mean (rounded upward, if necessary, to the nearest one hundred-thousandth of a percentage point) of such quotations. If fewer than two quotations are provided, LIBOR in respect of such LIBOR Interest Determination Date will be the arithmetic mean (rounded upward, if necessary, to the nearest one hundred-thousandth of a percentage point) of the rates quoted at approximately 11:00 a.m., New York City time, on such LIBOR Interest Determination Date by three major banks in The City of New York selected, after consultation with the Company, by the Calculation Agent for loans in U.S. dollars to leading European banks having the Index Maturity designated in the applicable Pricing Supplement, commencing on the second London Banking Day immediately following such LIBOR Interest Determination Date and in a principal amount equal to an amount of not less than $1,000,000 that is representative for a single transaction in such market at such time; provided, however, that if the banks in The City of New York selected as aforesaid by the Calculation Agent are not quoting as mentioned in this sentence, LIBOR with respect to such LIBOR Interest Determination Date will be LIBOR in effect on such LIBOR Interest Determination Date.

Treasury Rate Notes

Each Treasury Rate Note will bear interest for each Reset Period at the interest rate (calculated with reference to the Treasury Rate on the Treasury Interest Determination Date for such Reset Period and the Spread or Spread Multiplier, if any) specified in such Note and in the applicable Pricing Supplement.

Unless otherwise indicated in the applicable Pricing Supplement, "Treasury Rate" means, with respect to any Treasury Interest Determination Date, the auction average rate (expressed as a bond equivalent, rounded upward, if necessary, to the nearest one hundred-thousandth of a percentage point, on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) for the most recent auction of direct obligations of the United States ("Treasury bills") having the Index Maturity designated in the applicable Pricing Supplement, as made available by the U.S. Department of the Treasury. In the event that the results of the auction of Treasury bills having the Index Maturity designated in the applicable Pricing Supplement are not made available as provided above by 3:00 p.m., New York City time, on such Treasury Interest Determination Date or no such auction is held in a particular week (or on the preceding Friday, if applicable), then the Treasury Rate shall be calculated by the Calculation Agent and shall be a yield to maturity (expressed as a bond equivalent, rounded upward, if necessary, to the nearest one hundred-thousandth of a percentage point, on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) of the arithmetic mean of the secondary market bid rates, as of 3:30 p.m., New York City time, on such Treasury Interest Determination Date, of three leading primary U.S. government securities dealers selected, after consultation with the Company, by the Calculation Agent for the issue of Treasury bills with a remaining maturity closest to the Index Maturity designated in the applicable Pricing Supplement; provided, however, that if the dealers selected as aforesaid by the Calculation Agent are not quoting as mentioned in this sentence, the Treasury Rate with respect to such Treasury Interest Determination Date will be the Treasury Rate in effect on such Treasury Interest Determination Date.

CURRENCY INDEXED NOTES

General.

The Company may from time to time offer Notes ("Currency Indexed Notes"), the principal amount of which payable at the Maturity Date, and/or the interest payable on each Interest Payment Date and at the Maturity Date, is determined by the difference in the rate of exchange between the Specified Currency and the other currency or currency unit specified as the Indexed Currency (the "Indexed Currency") in the applicable Pricing Supplement on certain specified dates. Unless otherwise specified in the applicable Pricing Supplement, holders of Currency Indexed Notes (i) will be entitled to receive a principal amount in respect of such Currency Indexed Notes exceeding the amount designated as the face amount in respect of such Currency Indexed Notes in the applicable Pricing Supplement (the "Face Amount") if, at the Maturity Date, the rate at which the Specified Currency can be exchanged for the Indexed Currency is greater than the rate of such exchange designated as the Base Exchange Rate, expressed in units of the Indexed Currency per one unit of the Specified Currency, in the applicable Pricing Supplement (the "Base Exchange Rate"), and will be entitled to receive a principal amount in respect of such Currency Indexed Notes less than the Face Amount of such Currency Indexed Notes, if, at the Maturity Date, the rate at which the Specified Currency can be exchanged for the Indexed Currency is less than such Base Exchange Rate and/or (ii) will be entitled to receive an amount of interest on each Interest Payment Date and/or at the Maturity Date at an interest rate greater than the base interest rate of such Currency Indexed Note as designated in the applicable Pricing Supplement (the "Base Interest Rate") if, on such Interest Payment Date and/or at the Maturity Date, as the case may be, the rate at which the Specified Currency can be exchanged into the Indexed Currency is greater than the Base Exchange Rate, and will be entitled to receive an amount of interest on each Interest Payment Date and/or at the Maturity Date at an interest rate less than the Base Interest Rate if, on such Interest Payment Date and/or at the Maturity Date, as the case may be, the rate at which the Specified Currency can be exchanged into the Indexed Currency is less than the Base Exchange Rate, in each case determined as described below under "Payment of Principal and Interest." Information as to the relative historical value of the applicable Specified Currency against the applicable Indexed Currency, any exchange controls applicable to such Specified Currency or Indexed Currency and the tax consequences to holders will be set forth in the applicable Pricing Supplement. See "Foreign Currency and Other Risks."

Unless otherwise specified in the applicable Pricing Supplement, the term "Exchange Rate Day" shall mean any day which is a Business Day in The City of New York and, (i) if the Specified Currency or Indexed Currency is any currency or currency unit other than the U.S. Dollar or the ECU, a Business Day in the principal financial center of the country of such Specified Currency or Indexed Currency, or (ii) in the case of an ECU, a day which is not a non-ECU clearing day as determined by the ECU Banking Association in Paris.

Payment of Principal and Interest.

Unless otherwise specified in the applicable Pricing Supplement, principal of a Currency Indexed Note will be payable by the Company in the Specified Currency at the Maturity Date in an amount equal to the Face Amount of the Currency Indexed Note, plus or minus an amount determined by the determination agent specified in the applicable Pricing Supplement (the "Determination Agent") by reference to the difference between the Base Exchange Rate and the rate at which the Specified Currency can be exchanged for the Indexed Currency as determined on the second Exchange Rate Day (the "Determination Date") prior to the Maturity Date of such Currency Indexed Note by the Determination Agent based upon the arithmetic mean of the open market spot offer quotations for the Indexed Currency obtained by the Determination Agent from the Reference Dealers (as defined below) in The City of New York at 11:00 a.m., New York City time, on the Determination Date, for an amount of Indexed Currency equal to the Face Amount of such Currency Indexed Note multiplied by the Base Exchange Rate, for settlement on the Maturity Date (such rate of exchange, as so determined and expressed in units of the Indexed Currency per one unit of the Specified Currency, is hereafter referred to as the "Spot Rate"). If such quotations from the Reference Dealers are not available on the Determination Date due to circumstances beyond the control of the Company or the Determination Agent, the Spot Rate will be determined on the basis of the most recently available quotations from the Reference Dealers. The principal amount of the Currency Indexed Notes determined by the Determination Agent to be payable at the Maturity Date will be payable to the holders thereof in the manner set forth herein and in the applicable Pricing Supplement. As used herein, the term "Reference Dealers" shall mean the three banks or firms specified as such in the applicable Pricing Supplement or, if any of them shall be unwilling or unable to provide the requested quotations, such other major money center bank or banks in The City of New York selected by the Company, in consultation with the Determination Agent, to act as Reference Dealer or Reference Dealers in replacement therefor. In the absence of manifest error, the determination by the Determination Agent of the Spot Rate and the principal amount of Currency Indexed Notes payable at the Maturity Date thereof shall be final and binding on the Company and the holders of such Currency Indexed Notes.

Unless otherwise specified in the applicable Pricing Supplement, on the basis of the aforesaid determination by the Determination Agent and the formulae and limitations set forth below, (i) if the Base Exchange Rate equals the Spot Rate for any Currency Indexed Note, then the principal amount of such Currency Indexed Note Payable at the Maturity Date will be equal to the Face Amount of such Currency Indexed Note; (ii) if the Spot Rate exceeds the Base Exchange Rate (i.e., the Specified Currency has appreciated against the Indexed Currency during the term of the Currency Indexed Note), then the principal amount so payable will be greater than the Face Amount of such Currency Indexed Note up to an amount equal to twice the Face Amount of such Currency Indexed Note; (iii) if the Spot Rate is less than the Base Exchange Rate (i.e., the Specified Currency has depreciated against the Indexed Currency during the term of the Currency Indexed Note) but is greater than one-half of the Base Exchange Rate, then the principal amount so payable will be less than the Face Amount of such Currency Indexed Note; and (iv) if the Spot Rate is less than or equal to one-half of the Base Exchange Rate, then the Spot Rate will be deemed to be one-half of the Base Exchange Rate and no principal amount of the Currency Indexed Note will be payable at the Maturity Date.

Unless otherwise specified in the applicable Pricing Supplement, the formulae to be used by the Determination Agent to determine the principal amount of a Currency Indexed Note payable at the Maturity Date will be as follows:

If the Spot Rate exceeds or equals the Base Exchange Rate, the principal amount of a Currency Indexed Note payable at the Maturity Date shall equal:

$$\text{Face Amount} + \left(\text{Face Amount} \times \frac{\text{Spot Rate} - \text{Base Exchange Rate}}{\text{Spot Rate}} \right).$$

If the Base Exchange Rate exceeds the Spot Rate, the principal amount of a Currency Indexed Note payable at the Maturity Date (which shall, in no event, be less than zero) shall equal:

$$\text{Face Amount} - \left(\text{Face Amount} \times \frac{\text{Base Exchange Rate} - \text{Spot Rate}}{\text{Spot Rate}} \right).$$

If the formulae set forth above are applicable to a Currency Indexed Note, the maximum principal amount payable at the Maturity Date in respect of such a Currency Indexed Note would be an amount equal to twice the Face Amount and the minimum principal amount payable would be zero.

Unless otherwise specified in the applicable Pricing Supplement, interest will be payable by the Company in the Specified Currency based on the Face Amount of the Currency Indexed Notes, and such interest will be payable at the rate and times and in the manner set forth herein and in the applicable Pricing Supplement. In the event that the applicable Pricing Supplement specifies that interest on the Currency Indexed Notes will be determined by reference to the Indexed Currency and unless otherwise specified in such Pricing Supplement, interest will be payable by the Company in the Specified Currency on each Interest Payment Date and at the Maturity Date at a rate per annum equal to the Base Interest Rate specified in the applicable Pricing Supplement multiplied by an Interest Index Factor. The "Interest Index Factor" shall be an amount determined by the Determination Agent by reference to the following formula:

$$\frac{\text{Interest Spot Rate}}{\text{Base Exchange Rate}}$$

where, "Interest Spot Rate" is (i) if at an Interest Payment Date, the rate at which the Specified Currency can be exchanged for the Indexed Currency as determined on the second Exchange Rate Day prior to such Interest Payment Date (the "Interest Determination Date") by the Determination Agent in the manner specified in the applicable Pricing Supplement, on such Interest Determination Date, or (ii) if at the Maturity Date, the Spot Rate. The amount of interest determined by the Determination Agent to be payable on any Interest Payment Date and at the Maturity Date in respect of the Currency Indexed Notes will be payable to the holders thereof in the manner set forth herein and in the applicable Pricing Supplement. In the absence of manifest error, the determination by the Determination Agent of the Interest Index Factor, the Interest Spot Rate on each Interest Payment Date, the interest payments payable and the Spot Rate at the Maturity Date on the Currency Indexed Notes shall be final and binding on the Company and the holders of such Currency Indexed Notes.

Unless otherwise specified in the applicable Pricing Supplement, on the basis of the aforesaid determinations by the Determination Agent, (i) if the Base Exchange Rate equals the Interest Spot Rate on any Interest Determination Date or the Spot Rate on the Determination Date for any Currency Indexed Note, then the amount of interest payable in respect of such Currency Indexed Note on the applicable Interest Payment Date or at the Maturity Date, as the case may be, would reflect an interest rate equal to the Base Interest Rate of such Currency Indexed Note; (ii) if the Interest Spot Rate on any Interest Determination Date or the Spot Rate on the Determination Date exceeds the Base Exchange Rate (i.e., the Specified Currency has appreciated against the Indexed Currency during the term of the Currency Indexed Note), then the amount of interest so payable would reflect an interest rate greater than the Base Interest Rate of such Currency Indexed Note; and (iii) if the Interest Spot Rate on any Interest Determination Date or the Spot Rate on the

Determination Date is less than the Base Exchange Rate (i.e., the Specified Currency has depreciated against the Indexed Currency during the term of the Currency Indexed Note), then the amount of interest so payable would reflect an interest rate less than the Base Interest Rate of such Currency Indexed Note.

Unless otherwise specified in the applicable Pricing Supplement, in the event of any redemption or repayment of a Currency Indexed Note prior to its Maturity Date, the term "Maturity Date" used above would refer to the redemption or repayment date of such Currency Indexed Note.

PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN FINANCIAL AND LEGAL ADVISORS AS TO THE RISKS ENTAILED BY AN INVESTMENT IN CURRENCY INDEXED NOTES. SUCH CURRENCY INDEXED NOTES ARE NOT AN APPROPRIATE INVESTMENT FOR INVESTORS WHO ARE UNSOPHISTICATED WITH RESPECT TO FOREIGN CURRENCY TRANSACTIONS. SEE "FOREIGN CURRENCY AND OTHER RISKS."

COMMODITY INDEXED NOTES

The Pricing Supplement relating to a Commodity Indexed Note will set forth the method by which the amount of interest payable on an Interest Payment Date and the amount of interest and principal payable at the Maturity Date in respect of such Commodity Indexed Note will be determined, a description of certain tax consequences to holders of Commodity Indexed Notes, a description of certain risks associated with investments in Commodity Indexed Notes and other information relating to such Commodity Indexed Notes.

REDEMPTION

The Notes will not be subject to redemption through the operation of a sinking fund, but each Note may be redeemed at the option of the Company at any time on and after the date, if any, specified at the time of sale and set forth in the applicable Pricing Supplement and on the face of such Note. A Note will not be redeemable if no such date is set forth on such Note. On and after such date, if any, such Note will be redeemable in whole or from time to time in part on notice mailed not more than 60 nor less than 30 days prior to the date of redemption at a redemption price set forth in the applicable Pricing Supplement, together with interest accrued thereon to the date of redemption.

REPAYMENT

The Pricing Supplement relating to each Note will indicate either that such Note cannot be repaid prior to maturity or that such Note will be repayable at the option of the holder prior to maturity on the Repayment Date or Repayment Dates, if any, specified in the applicable Pricing Supplement and on the face of such Note. A Note will not be repayable if no such Repayment Date is set forth on such Note. On such Repayment Date or Repayment Dates, if any, such Note will be repayable in whole or from time to time in part at a price set forth in the applicable Pricing Supplement, together with interest accrued on such portion to the date of repayment.

In order for a Note to be repaid, the Company must receive at the Corporate Trust Office of the Trustee in the Borough of Manhattan, The City of New York, during the period from and including the first day of the Repayment Option Period set forth on the face of such Note for such Repayment Date to and including the close of business on the last day of such Repayment Option Period (or if such day is not a business day, the next succeeding business day): (i) the Note with the form entitled "Option to Elect Repayment" on the reverse of the Note duly completed, or (ii) a telegram, telex, facsimile transmission or letter from a member of a national securities exchange or the National Association of Securities Dealers, Inc., or a commercial bank or a trust company in the United States of America, dated no later than the last day of such Repayment Option Period (or if such day is not a business day, the next succeeding business day) setting forth the name of the holder of the Note, the principal amount of the Note, the portion of the principal amount of the Note to be repaid, a statement that the option to elect repayment is being exercised thereby and a guarantee that the Note to be repaid in whole or in part (with the form entitled "Option to Elect Repayment" on the reverse of the Note duly

completed) will be received at the Corporate Trust Office of the Trustee in the Borough of Manhattan, The City of New York, not later than five business days after the date of such telegram, telex, facsimile transmission or letter and such Note and form duly completed must be received at the Corporate Trust Office of the Trustee in the Borough of Manhattan, The City of New York, by such fifth business day. Effective exercise of any repayment option by the holder of any Note shall be irrevocable. No transfer or exchange of any Note (or, in the event that any Note is to be repaid in part, such portion of the Note to be repaid) will be permitted after exercise of a repayment option. A repayment option may be exercised by the holder of a Note for less than the entire principal amount of the Note, provided that the principal amount which is to be repaid is equal to $1,000 or any integral multiple thereof for Notes denominated in U.S. dollars or 10,000 units of the Specified Currency or any integral multiple thereof for Notes denominated in a Specified Currency other than U.S. dollars. All questions as to the validity, eligibility (including time of receipt) and acceptance of any Note for repayment will be determined by the Company, whose determination will be final, binding and non-appealable. For purposes of this provision, "business day" means any day other than Saturday and Sunday or a legal holiday or any day on which banking institutions in New York, New York are authorized or required by law or regulation to close.

If a Note is represented by a Global Security (as defined below), the Depositary's nominee will be the holder of such Note and, therefore, will be the only entity that can exercise a right to repayment. In order to ensure that the Depositary's nominee will timely exercise a right to repayment with respect to a particular Note, the beneficial owner of such Note must instruct the broker or other direct or indirect participant through which it holds an interest in such Note to notify the Depositary of its desire to exercise a right to repayment. Different firms have different cut-off times for accepting instructions from their customers, and, accordingly, each beneficial owner should consult the broker or other direct or indirect participant through which it holds an interest in a Note in order to ascertain the cut-off time by which such an instruction must be given in order for timely notice to be delivered to the Depositary.

BOOK-ENTRY SYSTEM

Upon issuance, all Book-Entry Notes having the same Specified Currency, Original Issue Date, Maturity Date, reset, extension, redemption and repayment provisions, Interest Payment Dates, Record Dates, and, in the case of Fixed Rate Notes, interest rate, or, in the case of Floating Rate Notes, Base Rate, Initial Interest Rate, Index Maturity, Reset Period, Interest Payment Dates, Spread or Spread Multiplier, if any, Maximum Interest Rate, if any, and Minimum Interest Rate, if any, and in the case of Fixed Rate Notes or Floating Rate Notes that are also Currency Indexed Notes, Specified Currency, Indexed Currency and Base Exchange Rate, or that are also Commodity Indexed Notes, the same comparable terms, will be represented by a single global security (a "Global Security"). Each Global Security representing Book-Entry Notes will be deposited with, or on behalf of, DTC or such other Depositary as is specified in the applicable Pricing Supplement, and registered in the name of the Depositary or its nominee. Book-Entry Notes will not be exchangeable for Certificated Notes at the option of the holder and, except as set forth below, will not otherwise be issuable in definitive form. Unless otherwise specified in the applicable Pricing Supplement, DTC will be the Depositary. DTC currently only accepts Notes that are denominated in U.S. dollars.

DTC has advised the Company and the Agents as follows: DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC was created to hold securities of its participants and to facilitate the clearance and settlement of securities transactions among its participants in such securities through electronic book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. DTC's participants include securities brokers and dealers (including the Agents), banks, trust companies,

clearing corporations and certain other organizations, some of which (and/or their representatives) own DTC. Access to DTC's book-entry system is also available to others, such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly.

Upon the issuance by the Company of Book-Entry Notes represented by a Global Security, the Depositary will credit, on its book-entry registration and transfer system, the respective principal amounts of the Book-Entry Notes represented by such Global Security to the accounts of institutions that have accounts with the Depositary ("participants"). The accounts to be credited shall be designated by the agents or underwriters of such Book-Entry Notes or by the Company if such Book-Entry Notes are offered and sold directly by the Company. Ownership of beneficial interests in a Global Security will be limited to participants or persons that hold interest through participants. Ownership of beneficial interests in Book-Entry Notes represented by a Global Security will be shown on, and the transfer of that ownership will be effected only through, records maintained by the Depositary (with respect to interests of participants in the Depositary), or by participants in the Depositary or persons that may hold interests through such participants (with respect to persons other than participants in the Depositary). The laws of some states require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and such laws may impair the ability to transfer beneficial interests in a Global Security.

So long as the Depositary for a Global Security, or its nominee, is the registered owner of the Global Security, the Depositary or its nominee, as the case may be, will be considered the sole owner or holder of the Book-Entry Notes represented by such Global Security for all purposes under the Indenture. Except as provided below, owners of beneficial interests in Book-Entry Notes represented by a Global Security will not be entitled to have Book-Entry Notes represented by such Global Security registered in their names, will not receive or be entitled to receive physical delivery of Book-Entry Notes in definitive form and will not be considered the owners or holders thereof under the Indenture. Unless and until it is exchanged in whole or in part for individual certificates evidencing the Book-Entry Notes represented thereby, a Global Security may not be transferred except as a whole by the Depositary for such Global Security to a nominee of such Depositary or by a nominee of such Depositary to such Depositary or another nominee of such Depositary or by the Depositary or any nominee to a successor Depositary or any nominee of such successor.

Payments of principal of and interest, if any, on the Book-Entry Notes represented by a Global Security registered in the name of the Depositary or its nominee will be made by the Company through the Trustee to the Depositary or its nominee, as the case may be, as the registered owner of the Global Security. Neither the Company, the Trustee nor the registrar for the Notes will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in a Global Security or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The Company has been advised that the Depositary, upon receipt of any payment of principal of or interest on a Global Security, will credit immediately the accounts of the related participants with payment in amounts proportionate to their respective holdings in principal amount of beneficial interest in such Global Security as shown on the records of the Depositary. The Company expects that payments by participants to owners of beneficial interests in a Global Security will be governed by standing customer instructions and customary practices, as is now the case with securities held for the accounts of customers in bearer form or registered in "street name." Such payments will be the responsibility of such participants.

If the Depositary with respect to any Global Security or Global Securities is at any time unwilling or unable to continue as Depositary and a successor Depositary is not appointed by the Company within 90 days, the Company will issue Certificated Notes in exchange for the Book-Entry Notes represented by such Global Security or Global Securities. In addition, the Company may at any time

and in its sole discretion determine not to have Global Securities, and, in such event, will issue Certificated Notes in exchange for the Book-Entry Notes represented by such Global Securities.

SPECIAL PROVISIONS RELATING TO MULTI-CURRENCY NOTES

GENERAL

Unless otherwise indicated in the applicable Pricing Supplement, if any Notes are to be denominated in U.S. dollars, payments of principal of and interest on such Notes will be made in U.S. dollars. If any of the Notes are to be denominated in a Specified Currency other than U.S. dollars ("Multi-Currency Notes"), the following provisions shall apply which are in addition to, and to the extent inconsistent therewith replace, the description of the general terms and provisions of Notes set forth in the accompanying Prospectus and elsewhere in this Prospectus Supplement.

The authorized denominations of Multi-Currency Notes will be the amounts of the Specified Currency for such Notes that are equivalent, at the Exchange Rate (as defined below) for purchases of such Specified Currency on the Business Day immediately preceding the trade date for such Notes, to $100,000 (rounded down to an integral multiple of 10,000 units of such Specified Currency), and any larger amount that is an integral multiple of 10,000 units of such Specified Currency.

Unless otherwise indicated in the applicable Pricing Supplement, payment of the purchase price of Multi-Currency Notes will be made in immediately available funds.

CURRENCY EXCHANGE

Unless otherwise specified in the applicable Pricing Supplement, purchasers are required to pay for Multi-Currency Notes in the Specified Currency. At the present time, there are limited facilities in the United States for conversion of U.S. dollars into foreign currencies or currency units, and vice versa, and it is believed that only a limited number of U.S. banks offer foreign currency checking or savings facilities in the United States. However, if requested by a purchaser at the time an offer to purchase an applicable Note is made to an Agent (or by such other day as such Agent may determine), such Agent will arrange for the conversion of U.S. dollars into the applicable Specified Currency to enable the purchaser to pay for such Multi-Currency Note. Each such conversion will be made by the Agents on such terms and subject to such conditions, limitations and charges as the Agents may from time to time establish in accordance with their regular foreign exchange practices. All costs of exchange will be borne by the purchasers of the Multi-Currency Notes.

Specific information about the foreign currency or currency units in which a particular Multi-Currency Note is denominated, including historical exchange rates and a description of the currency or currency units and any exchange controls, will be set forth in the applicable Pricing Supplement.

PAYMENT OF PRINCIPAL AND INTEREST

Principal and interest, if any, on Multi-Currency Notes will be paid by the Company in the Specified Currency. If so specified in the applicable Pricing Supplement, at the request of a holder of a Multi-Currency Note, payments of principal and interest in respect of such Note shall be paid in U.S. dollars. Under such circumstances, the Company would be required to tender payment in U.S. dollars at the Exchange Rate, and any costs associated with such conversion would be borne by such holder through deduction from such payments. In such case, a holder may elect to receive payments in U.S. dollars by delivering a written request to the Trustee not later than the Record Date immediately preceding the applicable payment date. Such election will remain in effect until notice to the Trustee, but written notice of any such revocation must be received by the Trustee not later than the Record Date immediately preceding the next Interest Payment Date or the fifteenth day preceding the Maturity Date, as the case may be. Upon request, the Trustee will mail a copy of a form of request to any holder.

OUTSTANDING MULTI-CURRENCY NOTES

For purposes of calculating the principal amount of any Multi-Currency Note payable in a Specified Currency which is outstanding under the Indenture for purposes of determining whether the holders of the requisite principal amount of outstanding Securities have given any request, demand, authorization, direction, notice, consent or waiver under such Indenture or whether a quorum is present at a meeting of holders of Securities, the principal amount of such Multi-Currency Note at any time outstanding shall be deemed to be the U.S. dollar equivalent, determined as of the date of the original issuance of such Multi-Currency Note, of the principal amount of such Multi-Currency Note. Unless otherwise indicated in the applicable Pricing Supplement, whenever the Indenture provides for any distribution to holders, any amount in respect of any Multi-Currency Note shall be treated for any such distribution as that amount of U.S. dollars that could be obtained for such amount on such reasonable basis of exchange as the Company may specify.

PAYMENT CURRENCY

If the principal of, or interest on, any Note is payable in a Specified Currency that is not available to the Company for making payments thereof due to the imposition of exchange controls or other circumstances beyond the control of the Company, the Company will be entitled to satisfy its obligations to holders of the Notes by making such payment in U.S. dollars on the basis of the Exchange Rate on the second Business Day preceding the Interest Payment Date or the second Business Day preceding the maturity of an installment of principal, as the case may be (or, if no rate is quoted for such Specified Currency on such date, the last date such rate is quoted). Any payment made under such circumstances in U.S. dollars where the required payment is in a Specified Currency other than U.S. dollars will not constitute an Event of Default under the Indenture.

"Exchange Rate" means (a) with respect to U.S. dollars in which payment is to be made on Multi-Currency Notes denominated in a composite currency unit, the exchange rate between U.S. dollars and such composite currency unit reported by the agency or organization, if any, responsible for overseeing such composite currency unit or by the Council of the European Communities (in the case of ECU, whose reports are currently based on the rates in effect at 2:30 p.m., Brussels time, on the relevant exchange markets), as appropriate, on the applicable Record Date with respect to an Interest Payment Date or the fifteenth day immediately preceding the maturity of an installment of principal, or on such other date provided in the Indenture, as the case may be; (b) with respect to U.S. dollars in which payment is to be made on Multi-Currency Notes denominated in a foreign currency, the noon U.S. dollar buying rate for that currency for cable transfers quoted by the Exchange Rate Agent in The City of New York designated by the Company on the Record Date with respect to an Interest Payment Date or the fifteenth day immediately preceding the maturity of an installment of principal, or on such other date provided therefor, as the case may be, as certified for customs purposes by the Federal Reserve Bank of New York; and (c) with respect to a Specified Currency other than U.S. dollars in which payment is to be made on Multi-Currency Notes converted into U.S. dollars pursuant to the Indenture as described above under "Payment Currency," the noon U.S. dollar selling rate for that currency for cable transfers quoted by the Exchange Rate Agent in The City of New York on the second Business Day preceding the applicable Interest Payment Date or the second Business Day preceding the maturity of an installment of principal, as the case may be, as certified for customs purposes by the Federal Reserve Bank of New York. If for any reason such rates are not available with respect to one or more currencies for which an Exchange Rate is required, the Company shall use such quotation of the Federal Reserve Bank of New York as of the most recent available date, or quotations from one or more commercial banks in The City of New York or in the country of issue of the currency in question, or such other quotations as the Company, in each case, shall deem appropriate. If there is more than one market for dealing in any currency by reason of foreign exchange regulations or otherwise, the market to be used in respect of such currency shall be the largest market upon which a nonresident issuer of securities designated in such currency would purchase such currency in order to make payments in respect of such securities.

FOREIGN CURRENCY AND OTHER RISKS

EXCHANGE RATES

An investment in Multi-Currency Notes entails significant risks that are not associated with a similar investment in a security denominated in U.S. dollars. Similarly, an investment in a Currency Indexed Note entails significant risks that are not associated with a similar investment in non-Currency Indexed Notes. Such risks include, without limitation, the possibility of significant changes in rates of exchange between the U.S. dollar and the Specified Currency (and, in the case of Currency Indexed Notes, the rate of exchange between the Specified Currency and the Indexed Currency for such Currency Indexed Note) and the possibility of the imposition or modification of foreign exchange controls by either the United States or foreign governments. Such risks generally depend on economic, financial, political and military events over which the Company has no control. To the extent the rate is not fixed by sovereign governments, the exchange rate between the U.S. dollar and foreign currencies or currency units is at any moment a result of the supply of and demand for such currencies or currency units, and changes in the rate result over time from the interaction of many factors, among which are rates of inflation, interest rate levels, balances of payments and the extent of governmental surpluses or deficits in the countries of the relevant currencies. These factors are in turn sensitive to the monetary, fiscal and trade policies pursued by such governments and those of other countries important to international trade and finance. In recent years, rates of exchange between the U.S. dollar and certain foreign currencies have been highly volatile and such volatility may be expected in the future. Fluctuations in any particular exchange rate that have occurred in the past are not necessarily indicative, however, of fluctuations in the rate that may occur during the term of any Multi-Currency Note or Currency Indexed Note. Depreciation of the Specified Currency applicable to a Multi-Currency Note against the U.S. dollar would result in a decrease in the U.S. dollar-equivalent yield of such Note, in the U.S. dollar-equivalent value of the principal repayable at maturity of such Note and, generally, in the U.S. dollar-equivalent market value of such Note. Similarly, depreciation of the Specified Currency with respect to a Currency Indexed Note against the applicable Indexed Currency would result in the principal amount payable with respect to such Currency Indexed Note at the Maturity Date thereof being less than the Face Amount of such Currency Indexed Note which, in turn, would decrease the effective yield of such Currency Indexed Note below its stated interest rate and could also result in a loss to the investor. See "Description of Notes -- Currency Indexed Notes."

Foreign exchange rates can either be fixed by sovereign governments or float. Exchange rates of most economically developed nations are permitted to fluctuate in value relative to the U.S. dollar. National governments, however, rarely voluntarily allow their currencies to float freely in response to economic forces. Sovereign governments in fact use a variety of techniques, such as intervention by a country's central bank or imposition of regulatory controls or taxes, to affect the exchange rate of their currencies. Exchange rates of certain governments may from time to time be fixed by the central bank or other agencies at a rate above or below that which might exist if the exchange rate were allowed to float in response to changes in supply and demand. Governments may also issue a new currency to replace an existing currency or alter the exchange rate or relative exchange characteristics by devaluation or revaluation of a currency. Thus, a special risk in purchasing Notes that are denominated in or indexed to a foreign currency or currency unit is that their U.S. dollar equivalent yields could be affected by governmental actions which could change or interfere with theretofore freely determined currency valuation, fluctuations in response to other market forces and the movement of currencies across borders. There will be no adjustment or change in the terms of the Multi-Currency Notes or Currency Indexed Notes in the event that exchange rates should become fixed, or in the event of any devaluation or revaluation or imposition of exchange or other regulatory controls or taxes, or in the event of other developments, affecting the U.S. dollar or any applicable currency or currency unit.

THE PROSPECTUS, INCLUDING THIS PROSPECTUS SUPPLEMENT AND ANY PRICING SUPPLEMENT HERETO, DOES NOT DESCRIBE ALL RISKS OF AN INVESTMENT IN MULTI-CURRENCY NOTES OR CURRENCY INDEXED NOTES AS SUCH RISKS EXIST AT THE DATE OF THIS PROSPECTUS SUPPLEMENT OR AS SUCH RISKS MAY CHANGE FROM TIME TO TIME.

THE COMPANY BELIEVES THAT THESE RISKS ARE POTENTIALLY TOO VARIABLE TO ASCERTAIN AND TO DESCRIBE WITH ANY REASONABLE DEGREE OF CERTAINTY AND THAT PREPARATION OF A LIST OF EVERY POTENTIAL MATERIAL RISK, INCORPORATING EVERY ECONOMIC, FINANCIAL, POLITICAL AND MILITARY CIRCUMSTANCE, AMONG OTHER THINGS, WOULD BE IMPRACTICAL, AND THE COMPANY DISCLAIMS ANY RESPONSIBILITY TO ADVISE PROSPECTIVE PURCHASERS OF SUCH RISKS. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR OWN FINANCIAL AND LEGAL ADVISORS AS TO THE RISKS ENTAILED BY AN INVESTMENT IN MULTI-CURRENCY NOTES OR CURRENCY INDEXED NOTES. SUCH NOTES ARE NOT AN APPROPRIATE INVESTMENT FOR INVESTORS WHO ARE UNSOPHISTICATED WITH RESPECT TO FOREIGN CURRENCY TRANSACTIONS.

Unless otherwise indicated in the applicable Pricing Supplement, Notes denominated in a Specified Currency other than the U.S. dollar or the ECU will not be sold in, or to residents of, the country of the Specified Currency in which such Notes are denominated. The information set forth in the Prospectus, this Prospectus Supplement and the applicable Pricing Supplement is directed to prospective purchasers who are United States residents and the Company disclaims any responsibility to advise prospective purchasers who are residents of countries other than the United States with respect to any matters that may affect the purchase, holding or receipt of payments of principal of and interest on Notes. Such persons should consult their own legal advisors with regard to such matters.

GOVERNING LAW AND JUDGMENTS

Notes will be governed by and construed in accordance with the laws of the State of New York. Courts in the United States have not customarily rendered judgments for money damages denominated in any currency other than the U.S. dollar. The Judiciary Law of the State of New York provides, however, that a judgment or decree in an action based upon an obligation denominated in a currency other than U.S. dollars will be rendered in the foreign currency of the underlying obligation and converted into U.S. dollars at the rate of exchange prevailing on the date of the entry of the judgment or decree.

EXCHANGE CONTROLS, ETC.

Governments have imposed from time to time exchange controls and may in the future impose or revise exchange controls at or prior to a Note's maturity. Even if there were no exchange controls, it is possible that the Specified Currency for any particular Multi-Currency Note would not be available at an Interest Payment Date or at such Note's maturity. In that event, the Company will repay in U.S. dollars on the basis of the Exchange Rate on the second day prior to such payment, or if such Exchange Rate is not then available, on the basis of the most recently available Exchange Rate. See "Special Provisions Relating to Multi-Currency Notes -- Payment Currency." No adjustment or change in the terms of the Multi-Currency Notes or Currency Indexed Notes in the event of any controls or unavailability will be made.

A Pricing Supplement with respect to the applicable Specified Currency (which includes information with respect to applicable current foreign exchange controls, if any) is a part of the Prospectus and this Prospectus Supplement. The Pricing Supplement relating to each Multi-Currency Note or Currency Indexed Note will contain information concerning relevant historical exchange rates for the applicable Specified Currency and/or Indexed Currency, as the case may be, a description of such currency or currencies and any exchange controls affecting such currency or currencies. The information concerning exchange rates and exchange rate controls, if any, is furnished as a matter of information only and should not be regarded as indicative of the range of or trends in fluctuations in currency exchange rates or an imposition of exchange rate controls that may occur in the future. The Company disclaims any responsibility to advise prospective purchasers of changes in such exchange rates or exchange controls after the date of any such Pricing Supplement.

RISKS OF INDEXED NOTES

AN INVESTMENT IN CURRENCY INDEXED NOTES AND COMMODITY INDEXED NOTES (COLLECTIVELY, "INDEXED NOTES") INDEXED, AS TO PRINCIPAL OR INTEREST OR BOTH, TO ONE OR MORE VALUES OF CURRENCIES (INCLUDING EXCHANGE RATES BETWEEN CURRENCIES), COMMODITIES OR INTEREST RATE OR OTHER INDICES (COLLECTIVELY, "INDICES" OR "INDEX") ENTAILS SIGNIFICANT RISKS THAT ARE NOT ASSOCIATED WITH SIMILAR INVESTMENTS IN A CONVENTIONAL FIXED-RATE DEBT SECURITY. IF THE INTEREST RATE OF SUCH AN INDEXED NOTE IS SO INDEXED, IT MAY RESULT IN AN INTEREST RATE THAT IS LESS THAN THAT PAYABLE ON A CONVENTIONAL FIXED-RATE DEBT SECURITY ISSUED AT THE SAME TIME, INCLUDING THE POSSIBILITY THAT NO INTEREST WILL BE PAID, AND, IF THE PRINCIPAL AMOUNT OF SUCH AN INDEXED NOTE IS SO INDEXED, THE PRINCIPAL AMOUNT PAYABLE AT MATURITY MAY BE LESS THAN THE ORIGINAL PURCHASE PRICE OF SUCH INDEXED NOTE IF ALLOWED PURSUANT TO THE TERMS OF SUCH INDEXED NOTE, INCLUDING THE POSSIBILITY THAT NO PRINCIPAL WILL BE PAID. THE SECONDARY MARKET FOR SUCH INDEXED NOTES WILL BE AFFECTED BY A NUMBER OF FACTORS, INDEPENDENT OF THE CREDITWORTHINESS OF THE COMPANY AND THE VALUE OF THE APPLICABLE CURRENCY, COMMODITY OR INDEX, INCLUDING THE VOLATILITY OF THE APPLICABLE CURRENCY, COMMODITY OR INTEREST RATE INDEX, THE TIME REMAINING TO THE MATURITY OF SUCH INDEXED NOTES, THE AMOUNT OUTSTANDING OF SUCH INDEXED NOTES AND MARKET INTEREST RATES. THE VALUE OF THE APPLICABLE CURRENCY, COMMODITY OR INDEX DEPENDS ON A NUMBER OF INTER-RELATED FACTORS, INCLUDING ECONOMIC, FINANCIAL AND POLITICAL EVENTS, OVER WHICH THE COMPANY HAS NO CONTROL. ADDITIONALLY, IF THE FORMULA USED TO DETERMINE THE PRINCIPAL AMOUNT OR INTEREST PAYABLE WITH RESPECT TO SUCH INDEXED NOTES CONTAINS A MULTIPLE OR LEVERAGE FACTOR, THE EFFECT OF ANY CHANGE IN THE APPLICABLE CURRENCY, COMMODITY OR INDEX WILL BE INCREASED.

THE HISTORICAL EXPERIENCE OF THE RELEVANT CURRENCIES, COMMODITY OR INDICES SHOULD NOT BE TAKEN AS AN INDICATION OF FUTURE PERFORMANCE OF SUCH CURRENCIES, COMMODITIES INDICES DURING THE TERM OF ANY INDEXED NOTE. THE CREDIT RATINGS ASSIGNED TO THE COMPANY'S MEDIUM-TERM NOTE PROGRAM ARE A REFLECTION OF THE COMPANY'S CREDIT STATUS, AND, IN NO WAY, ARE A REFLECTION OF THE POTENTIAL IMPACT OF THE FACTORS DISCUSSED ABOVE, OR ANY OTHER FACTORS, ON THE MARKET VALUE OF THE INDEXED NOTES. ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN FINANCIAL AND LEGAL ADVISORS AS TO THE RISKS ENTAILED BY AN INVESTMENT IN SUCH INDEXED NOTES AND THE SUITABILITY OF SUCH INDEXED NOTES IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of the principal U.S. federal income tax consequences resulting from the beneficial ownership of Notes by certain persons. This summary does not purport to consider all the possible U.S. federal tax consequences of the purchase, ownership or disposition of the Notes and is not intended to reflect the individual tax position of any beneficial owner. It deals only with Notes denominated in U.S. dollars, Notes denominated in currencies or composite currencies other than U.S. dollars ("Foreign Currency"), and Foreign Currency in each case held as capital assets. Moreover, except as expressly indicated, it addresses initial purchasers and does not address beneficial owners that may be subject to special tax rules, such as banks, insurance companies, dealers in securities or currencies, purchasers that hold Notes (or Foreign Currency) as a hedge against currency risks or as part of a straddle with other investments or as part of a "synthetic security" or other integrated investment (including a "conversion transaction") comprised of a Note and one or more other investments, or purchasers that have a "functional currency" other than the U.S. dollar. Except to the extent discussed below under "Non-U.S. Holders," this summary is not applicable to non-United States persons not subject to U.S. federal income tax on their worldwide income. This summary is based upon the U.S. federal tax laws and regulations as now in effect and as currently interpreted and does not take into account possible changes in such tax laws or such interpretations, any of which may be applied retroactively. It does not include any description of the tax laws of any state, local or foreign governments that may be applicable to the Notes or holders thereof, and it does not discuss the tax treatment of Notes denominated in certain hyperinflationary currencies or dual currency Notes. Persons considering the purchase of Notes should consult their own tax advisors concerning the application of the U.S. federal tax laws to their particular situations as well as any consequences to them under the laws of any other taxing jurisdiction.

U.S. HOLDERS

Payments of Interest

In general, interest on a Note, whether payable in U.S. dollars or a Foreign Currency (other than certain payments on a Discount Note, as defined and described below under "Original Issue Discount"), will be taxable to a beneficial owner who or which is (i) a citizen or resident of the United States, (ii) a corporation created or organized under the laws of the United States or any State thereof (including the District of Columbia) or (iii) a person otherwise subject to United States federal income taxation on its worldwide income (a "U.S. Holder") as ordinary income at the time it is received or accrued, depending on the holder's method of accounting for tax purposes. If an interest payment is denominated in or determined by reference to a Foreign Currency, then special rules, described below under "Foreign Currency Notes," apply.

Original Issue Discount

The following discussion summarizes the United States federal income tax consequences to U.S. Holders of Notes issued with original issue discount ("OID") for federal income tax purposes. U.S. Holders of a Note issued with OID generally will be subject to special tax accounting rules provided in the Internal Revenue Code of 1986, as amended (the "Code"). On February 2, 1994, the Treasury Department published final regulations (the "OID Regulations"), which expand and illustrate the rules provided by the Code. On December 16, 1994, the Treasury Department proposed new regulations regarding the tax treatment of debt instruments that provide for one or more contingent payments. The proposed regulations would also modify the rules relating to variable rate debt instruments. Subsequent versions of the proposed regulations or corresponding final regulations may adopt positions that may apply to a Note and that may be contrary to the positions discussed below. For this reason, purchasers of Notes should carefully examine the Pricing Supplement and consult their own tax advisers with respect to the current application of the OID rules to the Notes.

Special rules apply to OID on a Discount Note that is denominated in Foreign Currency. See "Foreign Currency Notes -- Foreign Currency Discount Notes."

General. A Note will be treated as issued with OID (a "Discount Note") if the excess of the Note's "stated redemption price at maturity" over its issue price is greater than a de minimis amount (set forth in the Code and the OID Regulations). Generally, the issue price of a Note (or any Note that is part of an issue of Notes) will be the first price at which a substantial amount of Notes that are part of such issue of Notes are sold (other than to underwriters, placement agents or wholesalers). Under the OID Regulations, the "stated redemption price at maturity" of a Note is the sum of all payments provided by the Note that are not payments of "qualified stated interest." A "qualified stated interest" payment includes any stated interest payment on a Note that is unconditionally payable in cash or property (other than debt instruments of the Company) at least annually at a single fixed rate (or at certain floating rates) that appropriately takes into account the length of the interval between stated interest payments. The applicable Pricing Supplement will state whether a particular issue of Notes will constitute an issue of Discount Notes.

In general, if the excess of a Note's stated redemption price at maturity over its issue price is de minimis, then such excess constitutes "de minimis OID." Under the OID Regulations, unless a U.S. Holder makes the election described below under "Election to Treat All Interest as Original Issue Discount," such a Note will not be treated as issued with OID (in which case the following paragraphs under "Original Issue Discount" will not apply) and a U.S. Holder of such a Note will recognize capital gain with respect to such de minimis OID as stated principal payments on the Note are made. The amount of such gain with respect to each such payment will equal the product of the total amount of the Note's de minimis OID and a fraction, the numerator of which is the amount of the principal payment made and the denominator of which is the stated principal amount of the Note.

The OID Regulations provide that a Note bearing interest at a floating rate (a "Floating Rate Note") will bear qualified stated interest if the Floating Rate Note provides for stated interest at: (1) one or more qualified floating rates; (2) a single fixed rate and one or more qualified floating rates; (3) a single objective rate, or (4) a single fixed rate and a single objective rate that is a qualified inverse floating rate.

For this purpose, a variable interest rate is a qualified floating rate if variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the debt instrument is denominated. A variable rate is not qualified stated interest if, among other things, the terms of the Note provide for a maximum interest rate or a minimum interest rate that is reasonably expected as of the issue date to cause the yield on the debt instrument to be significantly less, in the case of a maximum rate, or significantly more, in the case of a minimum rate, than the expected yield determined without the maximum or minimum rate, as the case may be.

An objective rate is a rate that is determined using a single fixed formula and that is based on (1) one or more qualified floating rates; (2) one or more rates where each rate would be a qualified floating rate for a debt instrument denominated in a currency other than the currency in which the debt instrument is denominated; (3) the yield or change in the price of actively traded personal property; or (4) a combination of the foregoing rates. An objective rate is a qualified inverse floating rate if the rate is equal to a fixed rate minus a qualified floating rate, and the variation in the rate can be reasonably expected to inversely reflect contemporaneous variations in the cost of newly borrowed funds. A variable rate of interest on a debt instrument is not an objective rate if it is reasonably expected that the average value of the rate during the first half of the instrument's term will be either significantly less than or significantly greater than the average value of the rate during the final half of the debt instrument's term. Unless specified in the applicable Pricing Supplement, Floating Rate Notes will not be Discount Notes.

The Code and the OID Regulations require a U.S. Holder of a Discount Note having a maturity of more than one year from its date of issue to include OID in gross income, as it accrues economically on

a constant yield basis, without regard to the holder's method of accounting for tax purposes and prior to the receipt of cash attributable to such income. In addition, qualified stated interest is included in income under the U.S. Holder's regular method of accounting.

The amount of OID includible in gross income by a U.S. Holder of a Discount Note is the sum of the "daily portions" of OID with respect to the Discount Note for each day during the taxable year in which the U.S. Holder holds such Discount Note ("accrued OID"). The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID allocable to that accrual period. Under the OID Regulations, accrual periods with respect to a Note may be any set of periods (which may be of varying lengths) selected by the U.S. Holder as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on the first day or final day of an accrual period.

The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note's adjusted issue price at the beginning of the accrual period and the Discount Note's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of any payments of qualified stated interest on the Discount Note allocable to the accrual period. In the case of a Floating Rate Note, both the yield to maturity and the qualified stated interest will generally be determined for these purposes as though the Note will bear interest in all periods at a fixed rate equal to the value of the rate as of the issue date. In the case of Floating Rate Notes using an objective rate other than a qualified inverse floating rate, the yield to maturity and the qualified stated interest will generally be determined as though the Note will bear interest in all periods at a fixed rate equal to the rate that reflects the yield that is reasonably expected for the Note. (Additional rules may apply if interest on a Floating Rate Note is based on more than one interest index.)

The "adjusted issue price" of a Discount Note at the beginning of the first accrual period is the issue price. Thereafter, the adjusted issue price at the beginning of any accrual period is (x) the sum of the issue price of such Discount Note, the accrued OID for each prior accrual period (determined without regard to the amortization of any acquisition premium or bond premium, which are discussed below), and the amount of any qualified stated interest on the Note that has accrued prior to the beginning of the accrual period but is not payable until a later date, less (y) any prior payments on the Discount Note that were not qualified stated interest payments. If a payment (other than a payment of qualified stated interest) is made on the first day of an accrual period, then the adjusted issue price at the beginning of such accrual period is reduced by the amount of the payment. If a portion of the initial purchase price of a Note is attributable to interest that accrued prior to the Note's issue date, the first stated interest payment on the Note is to be made within one year of the Note's issue date and such payment will equal or exceed the amount of pre-issuance accrued interest, then the issue price will be decreased by the amount of pre-issuance accrued interest, in which case a portion of the first stated interest payment will be treated as a return of the excluded pre-issuance accrued interest and not as an amount payable on the Note.

The OID Regulations contain certain special rules that generally allow any reasonable method to be used in determining the amount of OID allocable to a short initial accrual period (if all other accrual periods are of equal length) and require that the amount of OID allocable to the final accrual period equal the excess of the amount payable at the maturity of the Discount Note (other than any payment of qualified stated interest) over the Discount Note's adjusted issue price as of the beginning of such final accrual period. In addition, if an interval between payments of qualified stated interest on a Discount Note contains more than one accrual period, then the amount of qualified stated interest payable at the end of such interval is allocated pro rata (on the basis of their relative lengths) between the accrual periods contained in the interval.

U.S. Holders of Discount Notes generally will have to include in income increasingly greater amounts of OID over the life of the Notes.

Acquisition Premium. A U.S. Holder that purchases a Discount Note at its original issuance for an amount in excess of its issue price but less than its stated redemption price at maturity (any such excess being "acquisition premium"), and that does not make the election described below under "Election To Treat All Interest as Original Issue Discount," reduces the daily portions of OID by an amount equal to the amount which would be the daily portion for such day (determined without regard to this paragraph) multiplied by a fraction, the numerator of which is the excess of the U.S. Holder's purchase price for the Note over the issue price, and the denominator of which is the excess of the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, over the Note's issue price. Alternatively, a U.S. Holder may elect to compute OID accruals as described under "Original Issue Discount -- General" above, treating the U.S. Holder's purchase price as the issue price.

Optional Redemption. If the Company has an option to redeem a Discount Note, or the U.S. Holder has an option to cause a Discount Note to be repurchased, prior to the Discount Note's stated maturity, such option will be presumed to be exercised if, by utilizing any date on which such Discount Note may be redeemed or repurchased as the maturity date and the amount payable on such date in accordance with the terms of such Discount Note (the "redemption price") as the stated redemption price at maturity, the yield on the Discount Note would be (i) in the case of an option of the Company, lower than its yield to stated maturity, or (ii) in the case of an option of the U.S. Holder, higher than its yield to stated maturity. If such option is not in fact exercised when presumed to be exercised, the Note would be treated solely for OID purposes as if it were redeemed or repurchased, and a new Note were issued, on the presumed exercise date for an amount equal to the Discount Note's adjusted issue price on that date.

Short-Term Notes. Under the Code, special rules apply with respect to OID on Notes that mature one year or less from the date of issuance ("Short-Term Notes"). In general, a cash basis U.S. Holder of a Short-Term Note is not required to include OID in income as it accrues for United States federal income tax purposes unless it elects to do so. Accrual basis U.S. Holders and certain other U.S. Holders, including banks, regulated investment companies, dealers in securities and cash basis U.S. Holders who so elect, are required to include OID in income as it accrues on Short-Term Notes on a straight-line basis or, at the election of the U.S. Holder, under the constant yield method (based on daily compounding). In the case of U.S. Holders not required and not electing to include OID in income currently, any gain realized on the sale or retirement of Short-Term Notes will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the original issue discount under the constant yield method) through the date of sale or retirement. U.S. Holders who are not required and do not elect to include OID on Short-Term Notes in income as it accrues will be required to defer deductions for interest on borrowings allocable to Short-Term Notes in an amount not exceeding the deferred income until the deferred income is realized.

Any U.S. Holder of a Short-Term Note can elect to apply the rules in the preceding paragraph taking into account the amount of "acquisition discount," if any, with respect to the Note (rather than the OID with respect to such Note). Acquisition discount is the excess of the stated redemption price at maturity of the Short-Term Note over the U.S. Holder's purchase price therefor. Acquisition discount will be treated as accruing on a ratable basis or, at the election of the U.S. Holder, on a constant-yield basis.

For purposes of determining the amount of OID subject to these rules, the OID Regulations provide that no interest payments on a Short-Term Note are qualified stated interest, but instead such interest payments are included in the Short-Term Note's stated redemption price at maturity. Actual receipt of stated interest will be taxable to the extent of accrued OID at the time of receipt.

Notes Purchased at a Premium

Under the Code, a U.S. Holder that purchases a Note for an amount in excess of its stated redemption price at maturity will not be subject to the OID rules and may elect to treat such excess as

"amortizable bond premium," in which case the amount of qualified stated interest required to be included in the U.S. Holder's income each year with respect to interest on the Note will be reduced by the amount of amortizable bond premium allocable (based on the Note's yield to maturity) to such year. Any election to amortize bond premium is applicable to all bonds (other than bonds the interest on which is excludible from gross income) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and may not be revoked without the consent of the Internal Revenue Service ("IRS"). A U.S. Holder that does not elect to amortize bond premium will generally be entitled to treat the premium as capital loss when the Note matures. See also "Election to Treat All Interest as Original Issue Discount" below.

Notes Purchased at a Market Discount

A Note, other than a Short-Term Note, will be treated as issued at a market discount (a "Market Discount Note") if the amount for which a U.S. Holder purchased the Note is less than the Note's issue price, subject to a de minimis rule similar to the rule relating to de minimis OID described under "Original Issue Discount -- General."

In general, any gain recognized on the maturity or disposition of a Market Discount Note will be treated as ordinary income to the extent that such gain does not exceed the accrued market discount on such Note. Alternatively, a U.S. Holder of a Market Discount Note may elect to include market discount in income currently over the life of the Market Discount Note. Such an election applies to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies and may not be revoked without the consent of the IRS.

Market discount accrues on a straight-line basis unless the U.S. Holder elects to accrue such discount on a constant yield to maturity basis. Such an election is applicable only to the Market Discount Note with respect to which it is made and is irrevocable. A U.S. Holder of a Market Discount Note that does not elect to include market discount in income currently generally will be required to defer deductions for interest on borrowings allocable to such Note in an amount not exceeding the accrued market discount on such Note until the maturity or disposition of such Note.

The market discount rules do not apply to a Short-Term Note.

Election To Treat All Interest as Original Issue Discount

Any U.S. Holder may elect to include in gross income all interest that accrues on a Note using the constant yield method described above under the heading "Original Issue Discount -- General," with the modifications described below. For purposes of this election, interest includes stated interest, OID, de minimis OID, market discount acquisition discount, de minimis market discount and unstated interest, as adjusted by any amortizable bond premium or acquisition premium.

In applying the constant yield method to a Note with respect to which this election has been made, the issue price of the Note will equal the electing U.S. Holder's adjusted basis in the Note immediately after its acquisition, the issue date of the Note will be the date of its acquisition by the electing U.S. Holder, and no payments on the Note will be treated as payments of qualified stated interest. This election is generally applicable only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. If this election is made with respect to a Note with amortizable bond premium, the electing U.S. Holder will be deemed to have elected to apply amortizable bond premium against interest with respect to all debt instruments with amortizable bond premium (other than debt instruments the interest on which is excludible from gross income) held by such electing U.S. Holder as of the beginning of the taxable year in which the election is made or any debt instruments acquired thereafter. The deemed election with respect to amortizable bond premium may not be revoked without the consent of the IRS.

If the election described above to apply the constant yield method to all interest on a Note is made with respect to a Market Discount Note, as defined above, then the electing U.S. Holder will be treated as having made the election discussed above under "Notes Purchased at a Market Discount" to include market discount in income currently over the life of all debt instruments held or thereafter acquired by such U.S. Holder.

Purchase, Sale and Retirement of the Notes

General. A U.S. Holder's tax basis in a Note generally will equal its U.S. dollar cost (which, in the case of a Note purchased with a Foreign Currency, will be the U.S. dollar value of the purchase price on the date of purchase), increased by the amount of any OID or market discount (or acquisition discount, in the case of a Short Term Note) included in the U.S. Holder's income with respect to the Note and the amount, if any, of income attributable to de minimis OID included in the U.S. Holder's income with respect to the Note, and reduced by the sum of (i) the amount of any payments that are not qualified stated interest payments, and (ii) the amount of any amortizable bond premium applied to reduce interest on the Note. A U.S. Holder generally will recognize gain or loss on the sale or retirement of a Note equal to the difference between the amount realized on the sale or retirement and the U.S. Holder's tax basis in the Note. The amount realized on a sale or retirement for an amount in Foreign Currency will be the U.S. dollar value of such amount on the date of sale or retirement. Except to the extent described above under "Original Issue Discount -- Short Term Notes" or "Notes Purchased at a Market Discount" or below under "Foreign Currency Notes -- Exchange Gain or Loss," and except to the extent attributable to accrued but unpaid interest, gain or loss recognized on the sale or retirement of a Note will be capital gain or loss and will be long-term capital gain or loss if the Note was held for more than one year.

Foreign Currency Notes

Interest Payments. If an interest payment is denominated in or determined by reference to a Foreign Currency, the amount of income recognized by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars. Accrual basis U.S. Holders may determine the amount of income recognized with respect to such interest payment in accordance with either of two methods. Under the first method, the amount of income recognized will be based on the average exchange rate in effect during the interest accrual period (or, with respect to an accrual period that spans two taxable years, the partial period within the taxable year). Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a Note) determined by reference to a Foreign Currency, an accrual basis U.S. Holder will recognize ordinary income or loss measured by the difference between such average exchange rate and the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars. Under the second method, an accrual basis U.S. Holder may elect to translate interest income into U.S. dollars at the spot exchange rate in effect on the last day of the accrual period or, in the case of an accrual period that spans two taxable years, at the exchange rate in effect on the last day of the partial period within the taxable year. Additionally, if a payment of interest is actually received within 5 business days of the last day of the accrual period or taxable year, an accrual basis U.S. Holder applying the second method may instead translate such accrued interest into U.S. dollars at the spot exchange rate in effect on the day of actual receipt (in which case no exchange gain or loss will result). Any election to apply the second method will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder and may not be revoked without the consent of the IRS.

Exchange of Amounts in Other than U.S. Dollars. Foreign Currency received as interest on a Note or on the sale or retirement of a Note will have a tax basis equal to its U.S. dollar value at the time such interest is received or at the time of such sale or retirement, as the case may be. Foreign Currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the Foreign Currency on

the date of purchase. Any gain or loss recognized on a sale or other disposition of a Foreign Currency (including its use to purchase Notes or upon exchange for U.S. dollars) will be ordinary income or loss.

Foreign Currency Discount Notes. OID for any accrual period on a Discount Note that is denominated in a Foreign Currency will be determined in the Foreign Currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder. Upon receipt of an amount attributable to original issue discount (whether in connection with a payment of interest or the sale or retirement of a Note), a U.S. Holder may recognize ordinary income or loss.

Amortizable Bond Premium. In the case of a Note that is denominated in a Foreign Currency, bond premium will be computed in units of Foreign Currency, and amortizable bond premium will reduce interest income in units of the Foreign Currency. At the time amortized bond premium offsets interest income, a U.S. Holder may realize ordinary income or loss, measured by the difference between exchange rates at that time and at the time of the acquisition of the Notes.

Market Discount. Market discount is determined in units of the Foreign Currency. Accrued market discount that is required to be taken into account on the maturity or upon disposition of a Note is translated into U.S. dollars at the exchange rate on the maturity or the disposition date, as the case may be (and no part is treated as exchange gain or loss). Accrued market discount currently includible in income by an electing U.S. Holder is translated into U.S. dollars at the average exchange rate for the accrual period (or the partial accrual period during which the U.S. Holder held the Note), and exchange gain or loss is determined on maturity or disposition of the Note (as the case may be) in the manner described above under "Foreign Currency Notes -- Interest Payments" with respect to the computation of exchange gain or loss on the receipt of accrued interest by an accrual method holder.

Exchange Gain or Loss. Gain or loss recognized by a U.S. Holder on the sale or retirement of a Note that is attributable to changes in exchange rates will be treated as ordinary income or loss. However, exchange gain or loss is taken into account only to the extent of total gain or loss realized on the transaction.

Indexed Notes

The applicable Pricing Supplement will contain a discussion of any special United States federal income tax rules with respect to Currency Indexed Notes, Commodity Indexed Notes or other indexed Notes.

NON-U.S. HOLDERS

Subject to the discussion of backup withholding below, payments of principal (and premium, if any) and interest (including OID) by the Company or any agent of the Company (acting in its capacity as such) to any holder of a Note that is not a U.S. Holder (a "Non-U.S. Holder") will not be subject to U.S. federal withholding tax, provided, in the case of interest (including OID), that (i) the Non-U.S. Holder does not actually or constructively own 10% or more of the total combined voting power of all classes of stock of the Company entitled to vote, (ii) the Non-U.S. Holder is not a controlled foreign corporation for U.S. tax purposes that is related to the Company (directly or indirectly) through stock ownership and (iii) either (A) the Non-U.S. Holder certifies to the Company or its agent under penalties of perjury that it is not a United States person and provides its name and address or (B) a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business (a "financial institution") and holds the Note certifies to the Company or its agent under penalties of perjury that such statement has been received from the Non-U.S. Holder by it or by another financial institution and furnishes the payor with a copy thereof. A Non-U.S. Holder of a Note providing for payments of contingent interest within the meaning of Section 871(h) of the Code, will not, however, be exempt from U.S. federal withholding tax with respect to payments of such contingent interest. The applicable Pricing Supplement will contain a description of U.S. federal withholding tax consequences to Non-U.S. Holders of a purchase of a Note providing for payments of such contingent interest.

If a Non-U.S. Holder is engaged in a trade or business in the United States and interest (including OID) on the Note is effectively connected with the conduct of such trade or business, the Non-U.S. Holder, although exempt from the withholding tax discussed in the preceding paragraph (provided that such holder furnishes a properly executed IRS Form 4224 on or before any payment date to claim such exemption), may be subject to U.S. federal income tax on such interest (or OID) in the same manner as if it were a U.S. Holder. In addition, if the Non-U.S. Holder is a foreign corporation, it may be subject to a branch profits tax equal to 30% of its effectively connected earnings and profits for the taxable year, subject to certain adjustments. For purposes of the branch profits tax, interest (including OID) on a Note will be included in the earnings and profits of such holder if such interest (or OID) is effectively connected with the conduct by such holder of a trade or business in the United States. In lieu of the certificate described in the preceding paragraph, such a holder must provide the payor with a properly executed IRS Form 4224 to claim an exemption from U.S. federal withholding tax.

Any capital gain, market discount or exchange gain realized on the sale, exchange, retirement or other disposition of a Note by a Non-U.S. Holder will not be subject to U.S. federal income or withholding taxes if (i) such gain is not effectively connected with a U.S. trade or business of the Non-U.S. Holder and (ii) in the case of an individual, such Non-U.S. Holder (A) is not present in the United States for 183 days or more in the taxable year of the sale, exchange, retirement or other disposition or (B) does not have a tax home (as defined in Section 911(d)(3) of the Code) in the United States in the taxable year of the sale, exchange, retirement or other disposition and the gain is not attributable to an office or other fixed place of business maintained by such individual in the United States.

Notes held by an individual who is neither a citizen nor a resident of the United States for U.S. federal tax purposes at the time of such individual's death will not be subject to U.S. federal estate tax, provided that the income from such Notes was not or would not have been effectively connected with a U.S. trade or business of such individual and that such individual qualified for the exemption from U.S. federal withholding tax (without regard to the certification requirements) described above.

PURCHASERS OF NOTES THAT ARE NON-U.S. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE POSSIBLE APPLICABILITY OF UNITED STATES WITHHOLDING AND OTHER TAXES UPON INCOME REALIZED IN RESPECT OF THE NOTES.

INFORMATION REPORTING AND BACKUP WITHHOLDING

For each calendar year in which the Notes are outstanding, the Company is required to provide the IRS with certain information, including the holder's name, address and taxpayer identification number (either the holder's Social Security number or its employer identification number, as the case may be), the aggregate amount of principal and interest paid (including OID, if any) to that holder during the calendar year and the amount of tax withheld, if any. This obligation, however, does not apply with respect to certain U.S. Holders, including corporations, tax-exempt organizations, qualified pension and profit sharing trusts and individual retirement accounts.

In the event that a U.S. Holder subject to the reporting requirements described above fails to supply its correct taxpayer identification number in the manner required by applicable law or underreports its tax liability, the Company, its agents or paying agents or a broker may be required to "backup" withhold a tax equal to 31% of each payment of interest (including OID) and principal (and premium, if any) on the Notes. This backup withholding is not an additional tax and may be credited against the U.S. Holder's U.S. federal income tax liability, provided that the required information is furnished to the IRS.

Under current Treasury Regulations, backup withholding and information reporting will not apply to payments made by the Company or any agent thereof (in its capacity as such) to a Non-U.S. Holder of a Note if such holder has provided the required certification that it is not a United States person as set forth in clause (iii) in the first paragraph under "Non-U.S. Holders" above, or has otherwise established an exemption (provided that neither the Company nor its agent has actual knowledge that the holder is a United States person or that the conditions of any exemption are not in fact satisfied).

Payment of the proceeds from the sale of a Note to or through a foreign office of a broker will not be subject to information reporting or backup withholding, except that if the broker is a United States person, a controlled foreign corporation for United States tax purposes or a foreign person 50 percent or more of whose gross income from all sources for the three-year period ending with the close of its taxable year preceding the payment was effectively connected with a U.S. trade or business, information reporting may apply to such payments. Payment of the proceeds from a sale of a Note to or through the U.S. office of a broker is subject to information reporting and backup withholding unless the holder or beneficial owner certifies as to its taxpayer identification number or otherwise establishes an exemption from information reporting and backup withholding.

PLAN OF DISTRIBUTION

The Notes are being offered on a continuing basis by the Company through each of Lehman Brothers, Lehman Brothers Inc. (including its affiliate Lehman Government Securities Inc.) and Goldman, Sachs & Co., as an agent (each an "Agent" and collectively the "Agents"), each of which has agreed to use its reasonable best efforts to solicit offers to purchase the Notes. The Company will pay each Agent a commission, in the form of a discount, ranging from .125% to .625% of the principal amount of each Note, depending upon the time until its Maturity Date, sold through such Agent. The Company may use additional agents to solicit offers to purchase Notes as the Company may designate from time to time on terms substantially identical to those set forth above. Such other agents, if any, will be named in the applicable Pricing Supplement. The Company also may sell Notes to any Agent, acting as principal, at a discount to be agreed upon at the time of sale, for resale to one or more investors or to one or more broker-dealers (acting as principal for purposes of resale) at varying prices related to prevailing market prices at the time of resale, as determined by such Agent, or, if so agreed, at a fixed public offering price. The Notes may also be sold by the Company directly to purchasers. No commission will be payable to the Agents on Notes sold directly to purchasers by the Company.

The Company will have the sole right to accept offers to purchase Notes and may reject any proposed purchase of Notes in whole or in part whether placed directly with the Company or through an Agent. Each Agent will have the right, in its discretion reasonably exercised, to reject any offer to purchase Notes received by it in whole or in part.

Payment of the purchase price of the Notes will be required to be made in funds immediately available in The City of New York.

The Agents may be deemed to be "underwriters" within the meaning of the Securities Act of 1933, as amended (the "Act"). The Company has agreed to indemnify each Agent against certain liabilities, including liabilities under the Act. The Company has agreed to reimburse the Agents for certain expenses, including fees and disbursements of counsel to the Agents. The Agents may sell to or through dealers who may resell to investors. The Agents may pay all or part of their commission to such dealers. Such dealers may be deemed to be "underwriters" within the meaning of the Act.

No Note will have an established trading market when issued. The Notes will not be listed on any securities exchange. The Company has been advised by each of the Agents that it may from time to time purchase and sell Notes in the secondary market, but that it is not obligated to do so. No assurance can be given that there will be a secondary market for the Notes.

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy
nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

SUBJECT TO COMPLETION, DATED JANUARY 19, 1995

PROSPECTUS

AIR PRODUCTS AND CHEMICALS, INC.
DEBT SECURITIES

Air Products and Chemicals, Inc. (the "Company"), directly, through agents designated from time to time, or through dealers or underwriters also to be designated, may sell from time to time after the date of this Prospectus up to $400,000,000 aggregate principal amount or the equivalent thereof in other currencies or currency units of its debt securities (the "Securities"), in one or more series, on terms to be determined at the time of sale. The specific designation, aggregate principal amount, authorized denominations, currency, maturity, interest rate or method for its calculation, if any, interest payment dates, purchase price, any terms for redemption, repayment or defeasance or other specific terms, any listing on a securities exchange, sinking fund provisions, if any, and the agents, dealers or underwriters, if any, in connection with the sale of the Securities in respect of which this Prospectus is being delivered are set forth in the accompanying Prospectus Supplement ("Prospectus Supplement"), and Pricing Supplement ("Pricing Supplement"), if any, together with the terms of offering of the Securities. The Company reserves the sole right to accept and, together with its agents from time to time, to reject in whole or in part any proposed purchase of Securities to be made directly or through agents.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

If an agent of the Company or a dealer or underwriter is involved in the sale of the Securities in respect of which this Prospectus is being delivered, the agent's commission, dealer's purchase price or underwriter's discount is set forth in, or may be calculated from, the Prospectus Supplement and the net proceeds to the Company from such sale will be the purchase price of such Securities less such commission in the case of an agent, the purchase price of such Securities in the case of a dealer or the public offering price less such discount in the case of an underwriter, and less, in each case, the other attributable issuance and distribution expenses. The aggregate proceeds to the Company from all the Securities will be the purchase price of Securities sold less the aggregate of agents' commissions and underwriters' discounts and other expenses of issuance and distribution. See "Plan of Distribution" for possible indemnification arrangements for the agents, dealers and underwriters.

January , 1995

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934 and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information, including the documents incorporated herein by reference, can be inspected and copied at the office of the Commission at Room 1024 (Public Reference Room), 450 Fifth Street, N.W., Washington, D.C. 20549, as well as at the Regional Offices of the Commission at Northwestern Atrium Center, 500 West Madison Street (Suite 1400), Chicago, Illinois 60661 and 7 World Trade Center, 13th Floor, New York, New York 10048. Copies of such material can be obtained by mail from the Public Reference Room of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. In addition, such reports, proxy statements and other information concerning the Company can be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York, and the Pacific Stock Exchange, 115 Sansome Street, San Francisco, California.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Company hereby incorporates by reference in this Prospectus the following documents:

(a) The Company's Annual Report on Form 10-K for the fiscal year ended September 30, 1994, filed pursuant to Section 13 of the Securities Exchange Act of 1934.

All documents filed by the Company pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 subsequent to the date of this Prospectus and prior to the termination of the offering of the Securities shall be deemed to be incorporated by reference into this Prospectus and to be a part hereof from the date of filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Any person receiving a copy of this Prospectus may obtain without charge, upon written or oral request, a copy of any of the documents incorporated by reference herein, except for the exhibits to such documents. Requests should be directed to the Corporate Secretary's Office, Air Products and Chemicals, Inc., 7201 Hamilton Boulevard, Allentown, Pennsylvania 18195-1501, telephone: (610) 481-4911.

THE COMPANY

The Company, through internal development and by acquisitions, has established an internationally recognized industrial gas and related industrial process equipment business, and developed strong positions as a producer of certain chemicals. In addition, the Company has developed an environmental and energy business principally through various partnerships.

The industrial gases business segment recovers and distributes industrial gases such as oxygen, nitrogen, argon and hydrogen and a variety of medical and specialty gases. The chemicals business segment produces and markets specialty chemicals and chemical intermediates. The environmental and energy business is principally composed of partnerships in waste-to-energy, cogeneration and flue-gas desulfurization. The equipment and technology business segment supplies cryogenic and other process equipment and related engineering services.

The Company was incorporated in 1961 under Delaware law and is the successor to a Michigan corporation organized in 1940. Its principal executive offices are located at 7201 Hamilton Boulevard, Allentown, Pennsylvania 18195-1501, telephone (610) 481-4911. Except as otherwise indicated by the

context, the term "Company" as used herein means Air Products and Chemicals, Inc. and its consolidated subsidiaries.

RATIOS OF EARNINGS TO FIXED CHARGES

(UNAUDITED) YEAR ENDED SEPTEMBER 30,				
1990	1991	1992	1993	1994
3.2	3.2	3.9	3.2	3.4

For the purpose of determining the unaudited ratios of earnings to fixed charges, earnings represent income (before extraordinary item and cumulative effect of accounting changes) before income taxes, fixed charges (less interest capitalized), amortization of capitalized interest and undistributed earnings of less-than-fifty-percent owned affiliates. Fixed charges consist of interest on all indebtedness (including capital lease obligations), capitalized interest, amortization of debt discount premium and expense and the portion of rent charges considered to be representative of the interest factor.

USE OF PROCEEDS

The Company currently intends to apply the net proceeds from the sale of the Securities to its general funds to be used for general corporate purposes. Such corporate purposes may include the refunding of maturing debt, the repurchase of shares of the Company's Common Stock and acquisitions, including the acquisition of outstanding shares of a Spanish industrial gas company, Sociedad Espanola de Carburos Metalicos, S.A., which are tendered under tender offers expected to be made in September 1995 and September 1996. Pending such application, all or a portion of the net proceeds may be invested in short-term money market instruments. The precise amount and timing of the use of the proceeds will depend upon future requirements and the availability of other funds to the Company.

DESCRIPTION OF SECURITIES

The Securities offered hereby will be issuable in one or more series under an Indenture dated as of January 10, 1995 (the "Indenture"), entered into between the Company and First Fidelity Bank, National Association, as Trustee (the "Trustee"). The following statements are subject to the detailed provisions of the Indenture, a copy of which is filed as an exhibit to the Registration Statement. Wherever references are made to particular provisions of the Indenture, such provisions are incorporated by reference as a part of the statements made and such statements are qualified in their entirety by such reference. Certain defined terms are capitalized. Section references in italics are to the Indenture.

GENERAL

The Indenture provides that the aggregate principal amount of Securities which may be issued under the Indenture is unlimited. Reference is made to the Prospectus Supplement for the following terms of the Securities in respect of which this Prospectus is being delivered: (1) the designation, aggregate principal amount and authorized denominations of such Securities; (2) the percentage of their principal amount at which such Securities will be issued; (3) the currency or currency unit of payment; (4) the date on which such Securities will mature; (5) the rate or rates per annum, if any, at which such Securities will bear interest or the method for calculating such rate; (6) the times at which such interest, if any, will be payable; (7) provisions for a sinking fund, if any; (8) whether such Securities are to be issued in book-entry form, and, if so, the identity of the depositary and information with respect to book-entry procedures; and (9) any redemption, repayment or defeasance terms or

other specific terms. Principal and interest, if any, will be payable, and the Securities offered hereby will be transferable or exchangeable, as provided therein.

The Securities will be unsecured and will rank on a parity with all other unsecured and unsubordinated indebtedness of the Company.

One or more series of the Securities may be issued as discounted Securities (bearing no interest or interest at a rate which at the time of issuance is below market rates) to be sold at a substantial discount below their stated principal amount. Federal income tax consequences and other special considerations applicable to any such series of discounted Securities will be described in the Prospectus Supplement relating thereto.

Special federal income tax and other considerations relating to Securities denominated in foreign currencies or units of two or more foreign currencies will be described in the applicable Prospectus Supplement.

The Securities offered hereby will be issued only in fully registered form without coupons. No service charge will be made for any transfer or exchange of the Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. (Section 2.8)

CERTAIN COVENANTS OF THE COMPANY

Limitations on Liens -- Subject to the exceptions set forth below under "Exempted Indebtedness," the Company covenants that it will not create or assume, nor will it permit any Restricted Subsidiary (as hereinafter defined) to create or assume, any mortgage, security interest, pledge or lien (collectively referred to herein as "lien") of or upon any Principal Property (as hereinafter defined), or any underlying real estate of such property, or shares of capital stock or indebtedness of any Restricted Subsidiary, whether owned at the date of the Indenture or thereafter acquired, without equally and ratably securing the outstanding Securities. This restriction will not apply to certain permitted liens, including the following: (1) liens on any Principal Property which are created or assumed contemporaneously with, or within 120 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 Company or any Restricted Subsidiary), then within 360 days after), the completion of the 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 liens on any Principal Property existing at the time of acquisition thereof; (2) liens on property or shares of capital stock or indebtedness of a corporation existing at the time such corporation is merged into or consolidated with the Company or a Restricted Subsidiary or at the time of a sale, lease or other disposition of the properties of a corporation substantially as an entirety to the Company or a Restricted Subsidiary; (3) liens on property or shares of capital stock or indebtedness of a corporation existing at the time such corporation becomes a Restricted Subsidiary; (4) liens to secure indebtedness of a Restricted Subsidiary to the Company or to another Restricted Subsidiary, but only so long as such indebtedness is held by the Company or a Restricted Subsidiary; (5) liens 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 certain payments pursuant to any contract or statute, including liens to secure indebtedness of the pollution control or industrial revenue bond type, or to secure indebtedness incurred for the purpose of financing all or any part of the purchase price or cost of constructing or improving property subject to such liens; (6) liens in favor of any customer arising in respect of certain 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; (7) liens to extend, renew or replace in whole or in part any lien referred to in the foregoing clauses (1) to (6), or in this clause (7), 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); and (8) certain statutory liens, liens for taxes and certain other liens. (Section 3.6)

Limitations on Sale and Lease-Back Transactions -- Subject to the exceptions set forth below under "Exempted Indebtedness," sale and lease-back transactions by the Company or any Restricted Subsidiary of any Principal Property which has been owned and operated by the Company or a Restricted Subsidiary for more than 120 days are prohibited unless (1) the property involved is property which could be the subject of a lien without equally and ratably securing the Securities; (2) an amount equal to the Attributable Debt (as hereinafter defined) of any such sale and lease-back transaction is applied to the acquisition of another Principal Property of equal or greater fair market value or to retirement of indebtedness for borrowed money (including the Securities) which by its terms matures on or is renewable at the option of the obligor to a date more than twelve months after the creation of such indebtedness; or (3) the lease involved is for a term (including renewals) of not more than three years. (Section 3.7)

Exempted Indebtedness -- The Company or a Restricted Subsidiary may create or assume liens and enter into sale and lease-back transactions, notwithstanding the limitations outlined above, provided that at the time thereof and after giving effect thereto the aggregate amount of indebtedness secured by all such liens and Attributable Debt of all such sale and lease-back transactions outstanding shall not exceed 5% of Consolidated Net Tangible Assets (as hereinafter defined). (Section 3.8)

Limitations on Mergers, Consolidations and Sales of Assets -- If, upon any consolidation or merger of the Company with or into any other corporation, or upon any sale, conveyance or lease of substantially all its properties, any Principal Property would thereupon become subject to any lien, the Company, prior to such event, will secure the Securities equally and ratably with any other obligations of the Company then entitled thereto by a direct lien on all such Principal Property prior to all other liens other than any theretofore existing thereon. (Section 3.9)

Certain Definitions -- The term "Subsidiary" means any corporation of which at least a majority of all outstanding voting stock is at the time owned by the Company or by one or more Subsidiaries of the Company. The term "Restricted Subsidiary" means 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 and (b) which owns or leases a Principal Property. The term "Principal Property" means any manufacturing plant, research facility or warehouse owned or leased by the Company or any Subsidiary which is located within the United States and has a net book value exceeding the greater of $5,000,000 and 1% of shareholders' equity of the Company and its consolidated Subsidiaries, excluding any property which the Board of Directors by resolution declares is not of material importance to the total business of the Company and its Subsidiaries as an entirety. The term "Attributable Debt" means the present value (discounted as provided in the Indenture) of the obligation of a lessee for required rental payments for the remaining term of any lease. The term "Consolidated Net Tangible Assets" means at any time the total of all assets appearing on the most recent consolidated balance sheet of the Company and its consolidated Subsidiaries, prepared in accordance with generally accepted accounting principles, at their net book values (after deducting related depreciation, depletion, amortization and all other valuation reserves which, in accordance with such principles, are set aside in connection with the business conducted), but excluding goodwill, trademarks, patents, unamortized debt discount and all other like segregated intangible assets, and amounts on the asset side of such balance sheet for capital stock of the Company, all as determined in accordance with such principles, less Consolidated Current Liabilities. The term "Consolidated Current Liabilities" means the aggregate of the current liabilities of the Company and its consolidated Subsidiaries appearing on the consolidated balance sheet of the Company and its consolidated Subsidiaries, all as determined in accordance with generally accepted accounting principles. (Section 1.1)

EVENTS OF DEFAULT, WAIVER AND NOTICE

As to any series of Securities, an Event of Default is defined in the Indenture as being any one of the following events and such events as may be established with respect to the Securities of such series in any applicable Pricing Supplement: (a) default for 30 days in the payment of any interest on the Securities of such series; (b) default in the payment of principal and premium, if any, on the Securities of such series when due either at maturity, upon redemption, by declaration or otherwise; (c) default in the payment of any sinking fund installment on the Securities of such series; (d) default by the Company in the performance of any other of the covenants or agreements in the Indenture (other than those set forth exclusively in the terms of any series of Securities) which shall not have been remedied for a period of 90 days after appropriate notice, as specified in the Indenture; or (e) certain events of bankruptcy, insolvency and reorganization of the Company. (Section 5.1) No Event of Default with respect to any particular series of Securities necessarily constitutes an Event of Default with respect to any other series of Securities. The Indenture provides that the Trustee may withhold notice to the holders of Securities of any series of any default (except in payment of principal of or interest on such Securities or in the making of any sinking fund payment with respect to such Securities) if the Trustee considers it in the interest of the holders of Securities of such series to do so. (Section 5.11)

The Indenture provides that: (1) if an Event of Default described in clause (a), (b) or (c) above or established with respect to the Securities of any series shall have occurred and be continuing, either the Trustee or the holders of 25% in aggregate principal amount of the Securities of such series then outstanding may declare the principal (or, in the case of discounted Securities, the amount specified in the terms thereof) of all such Securities to be due and payable immediately and (2) if an Event of Default described in clause (d) or (e) above shall have occurred and be continuing, either the Trustee or the holders of not less than 25% in aggregate principal amount of all Securities then outstanding may declare the principal (or, in the case of discounted Securities, the amount specified in the terms thereof) of all Securities to be due and payable immediately, but upon certain conditions such declarations may be annulled and past defaults (except for defaults in the payment of principal of, or premium or interest, if any, on, such Securities) may be waived by the holders of a majority in aggregate principal amount of the Securities of such series (or of all series as the case may be) then outstanding. (Section 5.1 and Section 5.10)

The holders of a majority in aggregate principal amount of the Securities of each series affected (with each series voting as a separate class) and then outstanding shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee under the Indenture, subject to certain limitations specified in the Indenture, provided that the holders of Securities shall have offered to the Trustee reasonable indemnity against costs, expenses and liabilities. (Section 5.9 and Section 6.2(d)) The Indenture requires the annual filing by the Company with the Trustee of a certificate as to the absence of certain defaults under the Indenture. (Section 3.5)

Other than the restrictions on liens and sale and lease-back transactions described above, the Indenture and the Securities do not contain any covenants or other provisions designed to afford holders of the Securities protection in the event of a highly leveraged transaction involving the Company or any Subsidiary, including without limitation any takeover, recapitalization or other restructuring that may result in a sudden and significant decline in credit rating.

MODIFICATION OF THE INDENTURE

The Indenture contains provisions permitting the Company and the Trustee, with the consent of the holders of not less than 66 2/3% in aggregate principal amount of the Securities of all series affected by such modification at the time outstanding (voting as one class), to modify the Indenture or any supplemental indenture or the rights of the holders of the Securities, provided that no such modification shall (i) extend the final maturity of any Security, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon, or reduce any amount payable

upon redemption thereof, or reduce the amount of the principal of a discounted Security due and payable upon acceleration of the maturity thereof or provable in bankruptcy, or impair or affect the right of a holder to institute suit for the payment thereof or the right of repayment, if any, at the option of the holder thereof, without the consent of the holder of each Security so affected, or (ii) reduce the aforesaid percentage of Securities of any series, the consent of the holders of which is required for any such modification, without the consent of the holder of each Security so affected. (Section 8.2)

GLOBAL SECURITIES

The Securities of a series may be issued in the form of a global security which is deposited with and registered in the name of the depositary (or a nominee of the depositary) specified in the accompanying Prospectus Supplement. So long as the depositary for a global security, or its nominee, is the registered owner of the global security, the depositary or its nominee, as the case may be, will be considered the sole owner or holder of the Securities represented by such global security for all purposes under the Indenture. Except as provided in the Indenture, owners of beneficial interests in Securities represented by a global security will not (a) be entitled to have such Securities registered in their names, (b) receive or be entitled to receive physical delivery of certificates representing such Securities in definitive form, (c) be considered the owners or holders thereof under the Indenture and (d) have any rights under the Indenture with respect to such global security (Section 2.14). The Company, in its sole discretion, may at any time determine that any series of Securities issued or issuable in the form of a global security shall no longer be represented by such global security and such global security shall be exchanged for securities in definitive form pursuant to the Indenture (Section 2.14).

Upon the issuance of a global security, the depositary will credit, on its book-entry registration and transfer system, the respective principal amounts of such global security to the accounts of participants in the depositary. Ownership of beneficial interests in a global security will be shown on, and the transfer of that ownership will be effected only through, records maintained by the depositary (with respect to interests of participants in the depositary), or by participants in the depositary or persons that may hold interests through such participants (with respect to persons other than participants in the depositary). Ownership of beneficial interests in a global security will be limited to participants or persons that hold interests through participants.

CONCERNING THE TRUSTEE

First Fidelity Bank, National Association, the Trustee under the Indenture, also performs certain cash management services for the Company in the normal course of business.

DEFEASANCE OF THE INDENTURE AND SECURITIES

The Company at any time may satisfy its obligations with respect to payments of principal of, premium, if any, and interest, if any, on, any Security or Securities of any series by depositing in trust with the Trustee (a) money (in such currency in which such securities are payable) or (b), in the case of Securities denominated in U.S. dollars, U.S. Government Obligations (as defined in the Indenture) or, in the case of Securities denominated in a foreign currency, Foreign Government Securities (as defined in the Indenture) or a combination of (a) and (b) sufficient to make such payments when due. If such deposit is sufficient to make all payments of (1) interest, if any, on such Securities prior to and on their redemption or maturity, as the case may be, and (2) principal of, and premium, if any, on such Securities when due upon redemption or at maturity, as the case may be, all the obligations of the Company with respect to such Securities and the Indenture insofar as it relates to such Securities will be discharged and terminated (except as to the Company's obligations to compensate, reimburse and indemnify the Trustee pursuant to the Indenture). In the event of any such defeasance, holders of such Securities would be able to look only to such trust fund for payment of principal and premium, if any, and interest, if any, on Securities of such series until maturity or redemption. (Article Ten)

For federal income tax purposes, there is a substantial risk that any deposit of cash and/or U.S. Government Obligations or Foreign Government Securities with respect to which the Company shall have elected to satisfy and fully discharge its obligations with respect to any series of Securities could be treated as a taxable exchange of such Securities for interests in the trust (or, alternatively, for an instrument representing indebtedness of the trust). In that event, a holder could be required to recognize taxable gain or loss at the time of such defeasance as if the Securities had been sold for an amount equal to the sum of the amount of money and the fair market value of the U.S. Government Obligations or Foreign Government Securities held in the defeasance trust (or, alternatively, the value of the instrument). Thereafter, a holder might be required to include in income the holder's share of the income, gain and loss of the trust (or, alternatively, the trust might be considered a separate taxable entity with respect to such items and with respect to the debt instrument, in which case a holder might also be taxable on original issue discount as well as interest on the instrument). Purchasers of the Securities should consult their own advisors with respect to the more detailed tax consequences to them of such deposit and discharge, including the applicability and effect of tax laws other than federal income tax law.

PLAN OF DISTRIBUTION

The Company may sell the Securities in any of four ways: (i) directly to purchasers; (ii) through agents; (iii) through underwriters; or (iv) through dealers.

Offers to purchase Securities may be solicited directly by the Company or by agents designated by the Company from time to time. Any such agent, who may be deemed to be an underwriter as that term is defined in the Securities Act of 1933, involved in the offer or sale of the Securities in respect of which this Prospectus is delivered will be named, and any commissions payable by the Company to such agent will be set forth, in the Prospectus Supplement. Unless otherwise indicated in the Prospectus Supplement, any such agent will be acting on a best efforts basis for the period of its appointment. Agents may be customers of, engage in transactions with or perform services for the Company in the ordinary course of business.

If an underwriter or underwriters are utilized in the sale, the Company will execute an underwriting, purchase or agency agreement with such underwriters at the time of sale to them and the names of the underwriters and the terms of the transaction will be set forth in the Prospectus Supplement, which will be used by the underwriters to make resales of the Securities in respect of which this Prospectus is delivered to the public.

If a dealer is utilized in the sale of the Securities in respect of which this Prospectus is delivered, the Company will sell such Securities to such dealer, as principal. The dealer may then resell such Securities to the public at varying prices to be determined by such dealer at the time of resale.

Agents, underwriters and dealers may be entitled under the relevant agreements to indemnification by the Company against certain liabilities, including liabilities under the Securities Act of 1933.

If so indicated in the Prospectus Supplement, the Company will authorize agents or underwriters to solicit offers by certain institutions to purchase Securities from the Company at the public offering price set forth in the Prospectus Supplement pursuant to Delayed Delivery Contracts ("Contracts") providing for payment and delivery on the date stated in the Prospectus Supplement. Each Contract will be for an amount not less than, and unless the Company otherwise agrees the aggregate principal amount of Securities sold pursuant to Contracts shall be not more than, the respective amounts stated in the Prospectus Supplement. Institutions with which Contracts, when authorized, may be made include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions and other institutions but shall in all cases be subject to the approval of the Company. Contracts will not be subject to any conditions except that the purchase by an institution of the Securities covered by its Contract shall not at the time of delivery be prohibited under the laws of any jurisdiction in the United States to which such institution is subject. A

commission indicated in the Prospectus Supplement will be paid to underwriters or agents soliciting purchases of Securities pursuant to Contracts accepted by the Company.

The place and time of delivery for the Securities in respect of which this Prospectus is delivered will be set forth in the Prospectus Supplement.

LEGAL OPINIONS

The legality of the Securities in respect of which this Prospectus is being delivered will be passed on for the Company by James H. Agger, Esq., Vice President, General Counsel and Secretary of the Company, or Robert F. Gerkens, Esq., Assistant General Counsel of the Company, and for the underwriters, if any, by Cravath, Swaine & Moore, Worldwide Plaza, 825 Eighth Avenue, New York, New York 10019. Messrs. Agger and Gerkens, in their capacities indicated, are paid salaries by the Company, they are participants in various employee benefit plans offered to employees of the Company generally and each owns and has options to purchase shares of common stock of the Company. Cravath, Swaine & Moore from time to time acts as special counsel for the Company.

EXPERTS

The financial statements and the related supporting schedules for the year ended 30 September 1994, incorporated by reference in this Registration Statement, have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their reports with respect thereto, and are incorporated herein by reference in reliance upon the authority of said firm as experts in accounting and auditing in giving said reports.

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NO DEALER, SALESMAN, OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS SUPPLEMENT, THE ACCOMPANYING PROSPECTUS OR ANY PRICING SUPPLEMENT IN CONNECTION WITH THE OFFER CONTAINED IN THIS PROSPECTUS SUPPLEMENT, THE ACCOMPANYING PROSPECTUS OR ANY PRICING SUPPLEMENT, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR BY ANY AGENT, DEALER OR UNDERWRITER. NEITHER THIS PROSPECTUS SUPPLEMENT, NOR THE ACCOMPANYING PROSPECTUS NOR ANY PRICING SUPPLEMENT SHALL CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY OF THE SECURITIES OFFERED HEREBY IN ANY STATE TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH STATE. THE DELIVERY OF THIS PROSPECTUS SUPPLEMENT, THE ACCOMPANYING PROSPECTUS OR ANY PRICING SUPPLEMENT AT ANY TIME DOES NOT IMPLY THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF.

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$400,000,000

LOGO

Medium-Term Notes,
Series D

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PROSPECTUS
, 1995

and

PROSPECTUS SUPPLEMENT
, 1995

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LEHMAN BROTHERS
GOLDMAN, SACHS & CO.

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PART II. INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

Registration Fee	$137,931
Printing Fees	30,000*
Accountants' Fees	25,000*
Rating Agency Fees	50,000*
Fees and Expenses of Trustee	30,000*
Blue Sky Fees and Expenses	5,000*
Miscellaneous	22,069*
Total	$300,000*

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* Estimated.

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the Delaware Corporation Law gives corporations the power to indemnify officers and directors under certain circumstances.

Article Ninth of the Company's Restated Certificate of Incorporation contains provisions which provide for indemnification of certain persons (including officers and directors). The Restated Certificate of Incorporation is filed as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 1987.

The Company maintains insurance that generally insures the officers and directors of the Company and its subsidiaries (as defined in said policy) against liabilities incurred in such capacities, and insures the Company with respect to amounts to which officers and directors become entitled as indemnification payments from the Company, subject to certain specified exclusions and deductible and maximum amounts. The Company also maintains a policy of insurance that insures, among others, certain officers and directors of the Company and certain of its subsidiaries against liabilities incurred for Breach of Fiduciary Duty (as defined in said policy) with respect to their performance of their duties and responsibilities in connection with certain pension and retirement plans of the Company and certain of its subsidiaries, subject to certain specified exclusions and deductible and maximum amounts.

ITEM 16. EXHIBITS.

The following Exhibits are filed as part of this Registration Statement:

Exhibit	1	-- Form of Agency Agreement for Medium-Term Notes, Series D.
Exhibit	4(a)	-- Indenture dated as of January 10, 1995, between the Company and First Fidelity Bank, National Association, as Trustee, relating to the Securities.
	(b)	-- Form of Fixed Rate Medium-Term Note, Series D (Filed as Exhibit 4(c) to the Company's Registration Statement No. 33-66004).*
	(c)	-- Form of Floating Rate Medium-Term Note, Series D (Filed as Exhibit 4(d) to the Company's Registration Statement No. 33-66004).*
	(d)	-- Form of Fixed Rate Currency Indexed Medium-Term Note, Series D (Filed as Exhibit 4(e) to the Company's Registration Statement No. 33-66004).*
	(e)	-- Form of S&P 500 Linked Medium-Term Note, Series D (Filed as Exhibit A to the Company's Form 8-K dated December 17, 1993).*
Exhibit	5	-- Opinion of Company counsel as to legality of the Securities to be issued.
Exhibit	12	-- Computation of Ratios of Earnings to Fixed Charges (Filed as Exhibit (a)(12) to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 1994, and incorporated herein by reference).
Exhibit	23(a)	-- Consent of Arthur Andersen LLP. (See page II-6).
	(b)	-- Consent of Company counsel.

Exhibit 24 -- Power of Attorney.
Exhibit 25 -- Form T-1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 of First Fidelity Bank, National Association, as Trustee.

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* The Notes to be issued under this Registration Statement will be substantially in the form of the Form of Notes incorporated by reference hereby, and each will be titled Series D, Due from 9 Months to 20 Years from Date of Issue.

ITEM 17. UNDERTAKINGS.

THE UNDERSIGNED REGISTRANT HEREBY UNDERTAKES:

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

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

(ii) To reflect in the prospectus any facts or events arising after the effective date of this registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this registration statement;

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

provided, however, that the undertakings set forth in paragraphs (i) and (ii) above do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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

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

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions set forth or described in Item 15 of this registration statement, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such

indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of a registration statement in reliance upon Rule 430A and contained in the form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act of 1933 shall be deemed to be part of the registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Allentown and Commonwealth of Pennsylvania on the 19th day of January, 1995.

AIR PRODUCTS AND CHEMICALS, INC.
(Issuer)

By /s/ G. A. WHITE
(G. A. White, Senior Vice President -- Finance)

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities indicated on January 19, 1995.

SIGNATURE	TITLE
/s/ HAROLD A. WAGNER (Harold A. Wagner)	Director and Chairman of the Board (Principal Executive Officer)
/s/ G. A. WHITE (G. A. White)	Senior Vice President -- Finance (Principal Financial Officer)
/s/ PAUL E. HUCK (Paul E. Huck)	Corporate Controller (Principal Accounting Officer)
* (Dexter F. Baker)	Director
* (Tom H. Barrett)	Director
* (L. Paul Bremer, III)	Director
* (Will M. Caldwell)	Director
* (Robert Cizik)	Director
* (Ruth M. Davis)	Director
* (Robert F. Dee)	Director

SIGNATURE	TITLE
*	Director
(Terry R. Lautenbach)	
*	Director
(Walter F. Raab)	
*	Director
(Judith Rodin)	
*	Director
(Takeo Shiina)	

* G. A. White, Senior Vice President -- Finance, by signing his name hereto, does sign this document on behalf of the above-noted individuals pursuant to a power of attorney duly executed by such individuals, which power of attorney is filed with the Securities and Exchange Commission herewith.

/s/ G. A. WHITE
(G. A. White, Attorney-in-Fact)

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

To: Air Products and Chemicals, Inc.:

As independent public accountants, we hereby consent to the incorporation by reference in this Registration Statement of our reports dated 3 November 1994 included or incorporated by reference in the Annual Report of Air Products and Chemicals, Inc., on Form 10-K for the year ended 30 September 1994 and to all references to our Firm included in this Registration Statement.

ARTHUR ANDERSEN LLP

Philadelphia, Pennsylvania
19 January 1995

INDEX TO EXHIBITS

EXHIBIT NUMBER	EXHIBIT	SEQUENTIALLY NUMBERED PAGE
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(c)	-- Form of Floating Rate Medium-Term Note, Series D (Filed as Exhibit 4(d) to the Company's Registration Statement No. 33-66004).*	
(d)	-- Form of Fixed Rate Currency Indexed Medium-Term Note, Series D (Filed as Exhibit 4(e) to the Company's Registration Statement No. 33-66004).*	
(e)	-- Form of S&P 500 Linked Medium-Term Note, Series D (Filed as Exhibit A to the Company's Form 8-K dated December 17, 1993).*	
Exhibit 5	-- Opinion of Company counsel as to legality of the Securities to be issued.	
Exhibit 12	-- Computation of Ratios of Earnings to Fixed Charges (Filed as Exhibit (a)(12) to the Company's Annual Report on Form 10-K for the fiscal year ended January 30, 1994, and incorporated herein by reference).	
Exhibit 23(a)	-- Consent of Arthur Andersen LLP. (See page II-6).	
(b)	-- Consent of Company counsel.	
Exhibit 24	-- Power of Attorney.	
Exhibit 25	-- Form T-1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 of First Fidelity Bank, National Association, as Trustee.	

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* The Notes to be issued under this Registration Statement will be substantially in the form of the Form of Notes incorporated by reference hereby, and each will be titled Series D, Due from 9 Months to 20 Years from Date of Issue.

Exhibit 1

U.S. $400,000,000 1/

Air Products and Chemicals, Inc.

Medium-Term Notes, Series D

AGENCY AGREEMENT

, 1995

Lehman Brothers
Lehman Brothers Inc.
3 World Financial Center
New York, New York 10285-1200

Goldman, Sachs & Co.
85 Broad Street
New York, New York 10004

Dear Ladies and Gentlemen:

Air Products and Chemicals, Inc., a Delaware corporation (the "Corporation"), confirms its agreement with each of you (individually, an "Agent" and collectively, the "Agents") (which term shall, for all purposes of this Agreement, include Lehman Government Securities Inc., an affiliate of Lehman Brothers Inc.) with respect to the issue and sale by the Corporation of up to $400,000,000 1/ aggregate principal amount of its Medium-Term Notes, Series D, Due from 9 Months to 20 Years from Date of Issue (the "Notes"). The Notes are to be issued from time to time pursuant to an indenture, dated as of January 10, 1995 (as it may be supplemented or amended from time to time, the "Indenture"), between the Corporation and First Fidelity Bank, National Association, as trustee (the "Trustee").

Subject to the terms and conditions stated herein, and subject to the reservation by the Corporation of the right to sell Notes directly on its own behalf, and to sell Notes to or through such other agents as the Corporation shall appoint from time to time, the Corporation hereby appoints the Agents as agents of the Corporation for the

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1/ Or its equivalent in foreign currencies or currency units.

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purpose of soliciting or receiving offers to purchase the Notes from the Corporation by others. The Corporation shall notify the Agents of any sale made to or through other agents on or promptly after the settlement date for such sale. This Agreement shall only apply to sales of the Notes and not to sales of any other securities or evidences of indebtedness of the Corporation and only on the specific terms set forth herein.

SECTION 1. Representations and Warranties. The Corporation represents and warrants to each Agent as of the Closing Date referred to in Section 2(f), and as of the times referred to in Section 6(a) at which the Corporation accepts offers to purchase Notes and delivers Notes so purchased (each such time being hereinafter sometimes referred to as a "Representation Date"), as follows:

(a) Registration Statement and Prospectus. The Corporation has filed with the Securities and Exchange Commission (the "Commission"), pursuant to the Securities Act of 1933, as amended (the "Securities Act") and the published rules and regulations adopted by the Commission thereunder (the "Rules"), a registration statement on Form S-3 (No. 33-) (the "Registration Statement"), including a basic prospectus, which has become effective under the Securities Act, for the registration under the Securities Act of $400,000,000 aggregate principal amount of debt securities (the "Securities"), including the Notes. The Registration Statement meets the requirements set forth in Rule 415(a)(1) under the Securities Act and complies in all other material respects with said Rule. The Corporation has included in the Registration Statement a supplement to the form of prospectus included in the Registration Statement relating to the Notes and the plan of distribution thereof (as amended or supplemented from time to time, the "Prospectus Supplement"). In connection with the sale of the Notes, the Corporation proposes to file with the Commission pursuant to the applicable paragraph of Rule 424(b) under the Securities Act further supplements to the Prospectus Supplement specifying the interest rates, maturity dates, redemption provisions and other similar terms of the Notes sold pursuant hereto or the offering thereof. "Basic Prospectus" shall mean the form of basic prospectus relating to the Securities contained in the Registration Statement. The term "Prospectus" means the Basic Prospectus as supplemented by the

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Prospectus Supplement. Any reference herein to the Registration Statement, the Basic Prospectus, the Prospectus Supplement or the Prospectus includes the documents incorporated by reference therein pursuant to Item 12 of Form S-3 which were filed under the Securities Exchange Act of 1934, as amended (the "Exchange Act") on or before the date hereof or the issue date of the Prospectus Supplement or the Prospectus, as the case may be, and any reference herein to "amend", "amendment" or "supplement" with respect to the Registration Statement, the Basic Prospectus, the Prospectus Supplement or the Prospectus includes the filing of any document under the Exchange Act after the date hereof or the issue date of the Prospectus Supplement or the Prospectus, as the case may be, and deemed to be incorporated therein by reference.

(b) Accuracy of Registration Statement. The Registration Statement, as amended, as of each Representation Date, complies in all material respects with the provisions of the Securities Act and the Rules and does not contain any untrue statement of a material fact and does not omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading; and the Prospectus, as supplemented as of any such time, complies in all material respects with the provisions of the Securities Act and the Rules and does not contain any untrue statement of a material fact and does not omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the Prospectus as supplemented at the Closing Date may not include the information contemplated by Section l(a) to be contained in pricing supplements thereto; provided, further, however, that none of the representations and warranties contained in this Section 1(b) shall apply to (i) that part of the Registration Statement which shall constitute the Statement of Eligibility and Qualification (Form T-1) under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), of the Trustee or (ii) statements in, or omissions from, the Registration Statement or the Prospectus or any amendment thereof or supplement thereto made in reliance upon and in conformity with information furnished in writing to the Corporation by or on behalf of the Agents for use in connection with the

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preparation of the Registration Statement or the Prospectus or any such amendment or supplement.

(c) Accountants. The accountants whose reports with respect to financial statements are included in the Registration Statement and the Prospectus are independent with respect to the Corporation and its subsidiaries as required by the Securities Act and the Rules.

(d) Material Changes. Since the respective dates as of which information is given in the Registration Statement and the Prospectus, as amended or supplemented as of such Representation Date, and except as set forth therein, there has not been any material adverse development or change in the condition, financial or other, or the results of operations of the Corporation and its consolidated subsidiaries taken as a whole, whether or not arising from transactions in the ordinary course of business.

(e) Litigation. Except as set forth in the Registration Statement and the Prospectus, as amended or supplemented as of such Representation Date, neither the Corporation nor any of its subsidiaries has any litigation or governmental proceeding pending of a character which will result in a judgment, decree or order having a material adverse effect on the condition, financial or other, or the results of operations of the Corporation and its consolidated subsidiaries taken as a whole.

(f) Valid Incorporation; Subsidiaries. The Corporation and each subsidiary of the Corporation has been duly incorporated and is a validly existing corporation in good standing under the laws of the jurisdiction in which it was incorporated, has the corporate power to own or hold under lease the property it purports to own or hold under lease and to carry on the business in which it is engaged, and is duly licensed and duly qualified and is in good standing as a foreign corporation in each jurisdiction wherein the character of the property owned or held under lease by it, or the nature of the business transacted by it, makes such licensing or qualification necessary; and all the outstanding shares of the capital stock of the subsidiaries of the Corporation are owned directly, or indirectly through wholly owned subsidiaries, by the

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Corporation, free and clear of any material lien, pledge or other encumbrance, except for (i) directors' and officers' qualifying shares and (ii) shares of such stock representing minority interests reflected in the financial statements of the Corporation and its consolidated subsidiaries included in the Prospectus.

(g) Legality. At the date when the Prospectus Supplement is filed with, or mailed for filing to, the Commission pursuant to Rule 424(b) under the Securities Act and at each Representation Date thereafter, (i) the issuance and delivery of the Notes by the Corporation pursuant to this Agreement will have been duly and validly authorized by all necessary corporate action and no authorization, consent or approval of the stockholders and no further authorization or approval of the Board of Directors of the Corporation will be required for the issuance, sale and delivery of the Notes as contemplated herein; (ii) neither such issuance, sale or delivery of the Notes nor the consummation of any other of the transactions herein contemplated will result in a breach by the Corporation of any terms of, or constitute a default under, any other agreement or undertaking of the Corporation; and (iii) no authorization, consent or approval of, or filing or registration with, or exemption by, any government or public body or authority of the United States or of any State or any department or subdivision thereof, other than such as may be required under the securities or blue sky laws of any jurisdiction and other than registration of the Notes under the Securities Act and qualification of the Indenture under the Trust Indenture Act, is required for the validity of the Notes or for the valid offering, issuance, sale and delivery of the Notes by the Corporation pursuant to this Agreement or for the execution and delivery by the Corporation of this Agreement and the Indenture.

(h) No Stop Order. The Commission has not issued any order preventing or suspending the use of the Prospectus as supplemented as of such Representation Date.

(i) Financial Statements. The financial statements included in the Registration Statement and the Prospectus, as amended or supplemented as of such Representation Date, present fairly the financial condition and results of operations of the entities

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purported to be shown thereby, at the dates and for the periods indicated, and have been, and in the case of financial statements included in any amendments or supplements as of such Representation Date will be, prepared, except as stated therein, in conformity with generally accepted accounting principles applied on a consistent basis throughout the periods involved.

(j) Timely Filing of Documents. During the twelve calendar months and any portion of a calendar month immediately preceding the date of the filing of the Registration Statement with the Commission, the Corporation has timely filed all documents and amendments to previously filed documents required to be filed by it pursuant to Sections 12, 13, 14 or 15(d) of the Exchange Act. The documents incorporated by reference into the Prospectus, as supplemented as of the applicable Representation Date, have been, and each document subsequently incorporated by reference therein as of such Representation Date will be, prepared by the Corporation in conformity with the requirements of the Exchange Act and the rules and regulations thereunder and such documents have been, or in the case of documents subsequently incorporated by reference therein will be as of the applicable Representation Date, timely filed as required thereby. Copies of each of the documents incorporated by reference into the Prospectus, together with satisfactory evidence of the filing thereof and of the other documents and amendments referred to in the first sentence of this paragraph, have been, or as of the applicable Representation Date will be, delivered by the Corporation to the Agents.

(k) Doing Business with Cuba. The Corporation confirms as of the date hereof, and each acceptance by the Corporation of an offer to purchase Notes will be deemed to be an affirmation, that the Corporation is in compliance with all provisions of Section 517.075 of the Florida Securities and Investor Protection Act relating to disclosure of business in Cuba, and the Corporation further agrees that it will continue to so comply in the future.

SECTION 2. Solicitations as Agent. (a) On the basis of the representations and warranties contained herein, but subject to the terms and conditions herein set forth, each Agent agrees, as an agent of the Corporation, to

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use its reasonable best efforts to solicit offers to purchase the Notes upon the terms and conditions set forth in the Prospectus, as supplemented from time to time.

(b) The Corporation reserves the right, in its sole discretion, to suspend solicitation of offers to purchase the Notes commencing at any time for any period of time or permanently. Upon receipt of at least one business day's prior notice from the Corporation, the Agents will forthwith suspend solicitation of offers to purchase Notes from the Corporation until such time as the Corporation has advised the Agents that such solicitation may be resumed. For the purpose of the foregoing sentence, "business day" shall mean any day which is not a Saturday or Sunday or a legal holiday and which is not a day on which banking institutions are authorized or required by law or regulation to close in New York, New York. The suspension of solicitation of offers to purchase the Notes by the Corporation shall likewise suspend until the next Representation Date the representations and warranties set forth in Section 1 and the covenants set forth in Sections 3 and 6, except as and to the extent provided in Section 10.

(c) Promptly upon the closing of the sale of any Notes sold by the Corporation as a result of a solicitation made by an Agent, the Corporation agrees to pay such Agent a commission in accordance with the schedule set forth in Exhibit A hereto.

(d) The Agents are authorized to solicit offers to purchase the Notes only in denominations of U.S. $100,000 2/ or any amount in excess thereof which is an integral multiple of U.S. $1,000, at a purchase price equal to 100% of the principal amount thereof or such other principal amount as shall be specified by the Corporation. Each Agent shall communicate to the Corporation, orally or in writing, each reasonable offer to purchase Notes received by it as an Agent other than those rejected by such Agent pursuant to the next sentence. Each Agent shall have the right, in its discretion reasonably exercised without

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2/ Or the equivalent (rounded down to an integral multiple of 10,000 units of the denomination specified in a supplement to the Prospectus) in the relevant foreign currency or currency unit, or such larger amount in integral multiples of 10,000 units of such denomination.

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advising the Corporation, to reject any offer to purchase the Notes received by it, in whole or in part, and any such rejection shall not be deemed a breach of its agreement contained herein. The Corporation shall have the sole right to accept offers to purchase the Notes and may reject any such offer in whole or in part.

(e) Administrative procedures respecting the sale of Notes (the "Procedures") are set forth in Exhibit B hereto and may be amended in writing from time to time by mutual agreement of the Agents and the Corporation after notice to, and with the approval of, the Trustee. Each Agent and the Corporation agree to perform the respective duties and obligations specifically provided to be performed by each of them herein and in the Procedures.

(f) The documents required to be delivered by Section 5 hereof shall be delivered at the offices of Cravath, Swaine & Moore, 825 Eighth Avenue, New York, New York 10019 not later than 10:00 A.M., New York City time, on the date of this Agreement or at such later time or other location in New York City as may be mutually agreed upon by the Corporation and the Agents, which in no event shall be later than the time at which the Agents commence solicitation of offers to purchase Notes hereunder (the "Closing Date").

SECTION 3. Covenants of the Corporation. The Corporation covenants and agrees:

(a) To furnish promptly to each of the Agents and to their counsel a signed copy of the Registration Statement as originally filed and each amendment or supplement thereto, and a copy of each Prospectus filed with the Commission, including all supplements thereto and all documents incorporated therein by reference and all consents and exhibits filed therewith;

(b) To deliver promptly to the Agents such number of the following documents as they may reasonably request: (i) conformed copies of the Registration Statement (excluding exhibits other than the computation of the ratio of earnings to fixed charges, the Indenture and this Agreement), (ii) the Basic Prospectus, each preliminary prospectus and the Prospectus and (iii) any documents incorporated by reference in the Prospectus;

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(c) If, during any period in which, in the opinion of counsel for the Agents, a prospectus relating to the Notes is required to be delivered under the Securities Act in respect of Notes being offered for sale by the Agents, any event relating to or affecting the Corporation occurs as a result of which the Prospectus would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary at any time to amend the Prospectus to comply with the Securities Act (other than periodic reports under the Exchange Act that are timely filed), to notify the Agents promptly to suspend solicitation of purchases of the Notes; and if the Corporation shall decide to amend or supplement the Registration Statement or the Prospectus, to promptly advise the Agents by telephone (with confirmation in writing) and to promptly prepare and timely file with the Commission an amendment or supplement which will correct such statement or omission or an amendment which will effect such compliance; provided, however, that if during the period referred to above any Agent shall own any Notes which it has purchased from the Corporation as principal with the intention of reselling them, the Corporation shall promptly prepare and timely file with the Commission any amendment or supplement to the Registration Statement or any Prospectus that may, in the judgment of the Corporation or the Agents, be required by the Securities Act or requested by the Commission;

(d) To timely file with the Commission during the period referred to in (c) above all documents (and any amendments to previously filed documents) required to be filed by the Corporation pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act;

(e) Upon filing with the Commission during the period referred to in (c) above (i) any amendment or supplement to the Registration Statement, (ii) any amendment or supplement to the Prospectus or (iii) any document incorporated by reference in any of the foregoing or any amendment of or supplement to any such incorporated document, to furnish a copy thereof to the Agents;

(f) During the period referred to in (c) above, to advise the Agents immediately (i) when any post-effective amendment to the Registration Statement relating to or covering the Notes becomes effective, (ii) of any demand by the Commission for an amendment or supplement to the

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Registration Statement, to the Prospectus, to any document incorporated by reference in any of the foregoing or for any additional information (other than any demand for an amendment or supplement to or additional information concerning documents hereafter filed with the Commission pursuant to the Exchange Act and incorporated by reference in the Registration Statement and Prospectus, where the failure to comply with such request would not cause the Registration Statement or the Prospectus, as then supplemented or amended, to fail to comply in any material respect with the provisions of the Securities Act and the applicable Rules or to contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading), (iii) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or any part thereof or any order directed to the Prospectus or any document incorporated therein by reference or the initiation or threat of any stop order proceeding, (iv) of receipt by the Corporation of any notification with respect to the suspension of the qualification of the Notes for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose and (v) of the happening of any event relating to or affecting the Corporation which makes untrue any statement of a material fact made in the Registration Statement or the Prospectus or which requires the making of a change in the Registration Statement or the Prospectus in order to make any material statement therein not misleading;

(g) If, during the period referred to in (c) above, the Commission shall issue a stop order suspending the effectiveness of the Registration Statement, to make every reasonable effort to obtain the lifting of that order at the earliest possible time;

(h) As soon as practicable, but not later than 18 months, after the date of each acceptance by the Corporation of an offer to purchase Notes hereunder, to make generally available to its security holders an earnings statement or statements which will satisfy the provisions of Section 11(a) of the Securities Act (including, at the option of the Corporation, Rule 158 of the Rules);

(i) So long as any of the Notes are outstanding, to furnish to the Agents, not later than the time the Corporation makes the same available to others, copies of all public reports or press releases (i) sent by the

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Corporation over the P.R. Newswire, (ii) furnished by the Corporation to any securities exchange on which the Notes are listed pursuant to requirements of or agreements with such exchange or (iii) filed with the Commission pursuant to the Exchange Act or any rule or regulation of the Commission thereunder; and

(j) To endeavor, in cooperation with the Agents, to qualify the Notes for offering and sale under the securities laws of such jurisdictions as the Agents may designate, and to maintain such qualifications in effect for as long as may be required for the distribution of the Notes, and to file such statements and reports as may be required by the laws of each jurisdiction in which the Notes have been qualified as above provided; provided, however, that the Corporation shall not be required to register or qualify as a foreign corporation nor, except as to matters and transactions relating to the offer or sale of the Notes, take any action which would subject it to service of process generally in any jurisdiction.

SECTION 4. Payment of Expenses. The Corporation will pay (i) the costs incident to the authorization, issuance, sale and delivery of the Notes and any taxes payable in that connection, (ii) the costs incident to the preparation, printing and filing under the Securities Act of the Registration Statement and any amendments and exhibits thereto, (iii) the costs incident to the preparation, printing and filing of any document and any amendments and exhibits thereto required to be filed by the Corporation under the Exchange Act, (iv) the costs of distributing, as the Agents may reasonably request, the Registration Statement, as originally filed, and each amendment and post-effective amendment thereof (including exhibits), any preliminary prospectus, the Basic Prospectus, the Prospectus, any supplement or amendment to the Prospectus and any documents incorporated by reference in any of the foregoing documents, (v) the fees and disbursements of the Trustee, any paying agent, any calculation agent, any exchange rate agent and any other agents appointed by the Corporation, and their respective counsel, (vi) the costs and fees in connection with the listing of the Notes on any securities exchange, (vii) the cost of any filings with the National Association of Securities Dealers, Inc., (viii) the reasonable fees and disbursements of counsel to the Corporation and counsel to the Agents, (ix) the fees paid to rating agencies in connection with the rating of the Notes, (x) the fees and expenses of qualifying the Notes under the securities laws of the

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several jurisdictions as provided in Section 3(j) hereof and of preparing and printing a Blue Sky Memorandum and a memorandum concerning the legality of the Notes as an investment (including the reasonable fees and expenses of counsel for the Agents in connection therewith), (xi) all advertising expenses in connection with the offering of the Notes incurred with the consent of the Corporation and (xii) other costs and expenses incurred by the Corporation in connection with the performance of its obligations under this Agreement.

SECTION 5. Conditions of Obligations. The obligations of the Agents, as agents of the Corporation, under this Agreement to solicit offers to purchase the Notes, the obligation of any person who has agreed to purchase Notes sold through an Agent as agent to make payment for and take delivery of Notes, and the obligation of either Agent to purchase Notes pursuant to any Purchase Agreement (as hereinafter defined), are subject to the accuracy on each Representation Date of the representations and warranties of the Corporation contained herein, to the performance by the Corporation of its obligations hereunder, and to each of the following additional terms and conditions:

(a) No stop order suspending the effectiveness of the Registration Statement or any part thereof nor any order directed to any document incorporated by reference in the Prospectus shall have been issued; no stop order proceeding shall have been initiated or threatened by the Commission; no challenge shall have been made by the Commission and shall not have been satisfactorily answered or remedied by the Corporation to the accuracy or adequacy of any document incorporated by reference in the Prospectus in any respect that would constitute a failure of the Prospectus, as supplemented, to comply in any material respect with the provisions of the Securities Act and the applicable Rules or that, if substantiated, would mean that the Prospectus, as supplemented, would contain any untrue statement of a material fact or would omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances in which they were made, not misleading; any request of the Commission of the nature referred to in Section 3(f)(ii) shall have been complied with.

(b) No order suspending the sale of the Notes in any jurisdiction designated by the Agents pursuant to

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Section 3(j) hereof shall have been issued, and no proceeding for that purpose shall have been initiated or threatened.

(c) The Agents shall not have discovered and disclosed to the Corporation that the Registration Statement or any Prospectus contains an untrue statement of a fact which, in the opinion of counsel for the Agents, is material or omits to state a fact which, in the opinion of such counsel, is material and is required to be stated therein or is necessary to make the statements therein not misleading.

(d) All corporate proceedings and other legal matters incident to the authorization, form and validity of this Agreement, the Notes, the Indenture, the form of the Registration Statement, the Prospectus (other than financial statements and other financial data) and all other legal matters relating to this Agreement and the transactions contemplated hereby shall be satisfactory in all respects to counsel for the Agents and the Corporation shall have furnished to such counsel all documents and information that they may reasonably request to enable them to pass upon such matters.

(e) At the Closing Date, the Agents shall have received the opinion, addressed to the Agents and dated the Closing Date, of the General Counsel of the Corporation or the Assistant General Counsel of the Corporation, in form and substance satisfactory to the Agents and their counsel, to the effect that:

(i) the Corporation has been duly incorporated and is a validly existing corporation in good standing under the laws of the State of Delaware, and has the corporate power to own or hold under lease the property it purports to own or hold under lease and to carry on the business in which it is engaged;

(ii) the form of the Notes and the Indenture conform in all material respects to the descriptions thereof contained in the Registration Statement and the Prospectus;

(iii) the issuance, sale and delivery of the Notes by the Corporation pursuant to this Agreement have been duly and validly authorized by all necessary corporate action; and no authorization, consent or approval of, or filing or registration with, or exemption by, any

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government or public body or authority of the United States or of any State or any Department or subdivision thereof, other than such as may be required under the securities or blue sky laws of any jurisdiction, is required for the validity of the Notes or for the valid offering, issuance, sale and delivery of the Notes by the Corporation pursuant to this Agreement or for the execution and delivery by the Corporation of this Agreement and the Indenture;

(iv) the Indenture has been duly and validly authorized, executed and delivered by the Corporation and constitutes an instrument valid and binding on the Corporation and enforceable in accordance with its terms (except as (a) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and (b) rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability);

(v) the Notes, when issued in a form conforming to the specimens thereof examined by such counsel, will be in a form contemplated by the Indenture and, assuming due execution of the Notes on behalf of the Corporation and authentication thereof by the Trustee, upon the delivery thereof and payment therefor as provided in this Agreement, the Notes will constitute valid and binding obligations of the Corporation enforceable in accordance with their respective terms (except as (a) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and (b) rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability), entitled to the benefits of the Indenture;

(vi) this Agreement has been duly authorized, executed and delivered by the Corporation, and the performance of this Agreement and the consummation of the transactions herein contemplated will not result in a breach of any of the terms or provisions of, or constitute a default under, the Restated Certificate of Incorporation or By-laws of the Corporation or, to the knowledge or such counsel, any law, administrative regulation or court decree applicable to the Corporation or by which the Corporation or any of its proper-

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ties is bound or affected (except to the extent that the enforceability of the indemnity provisions of this Agreement may be limited by securities laws or public policy);

(vii) the performance of this Agreement and the consummation of the transactions herein contemplated will not result in a breach of any of the terms or provisions of, or constitute a default under, any indenture, deed of trust, note, note agreement or other agreement or instrument known to such counsel to which the Corporation or any of its subsidiaries is a party or by which the Corporation or any of its subsidiaries or any of their properties is bound or affected;

(viii) the Registration Statement and any amendments thereof have become and are effective and the Registration Statement, the Prospectus and each amendment thereof or supplement thereto, as of their respective effective or issue dates, complied as to form in all material respects with the requirements of the Securities Act, and the Rules (except that no opinion need be expressed as to financial statements and other financial data), the Securities are registered under the Securities Act, and the Indenture has been qualified under the Trust Indenture Act; and

(ix) in passing upon the form of the Registration Statement and the Prospectus, such counsel has necessarily assumed the correctness and completeness of the statements made or included therein and takes no responsibility therefor, except insofar as such statements relate to the description of the Notes or the Indenture or relate to such counsel; the statements with regard to such counsel made under the heading "Legal Opinions" in the Prospectus are correct; and such counsel has no reason to believe that (except as aforesaid) the Registration Statement (or any post-effective amendment thereof) at the time it became effective contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading or that (except as aforesaid) the Prospectus (as amended or supplemented, if so amended or supplemented) contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary in order to make the statements therein, in the light of the

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circumstances under which they were made, not misleading as of the Closing Date.

(f) The Corporation shall have furnished to the Agents on the Closing Date a certificate of the Corporation, dated the Closing Date, signed on its behalf by the President, the Vice President-Finance or the Treasurer, stating that:

(i) The representations, warranties and agreements of the Corporation in section 1 hereof are true and correct in all material respects as of the date of such certificate with the same effect as if made on such date; and the Corporation has not received any notice that the conditions set forth in Section 5(a) hereof will not be satisfied as of the Closing Date or any other Representation Date; and

(ii) The person executing such certificate has examined the Registration Statement and the Prospectus and, in such person's opinion, (A) the Registration Statement at the date thereof, or as of the most recent amendment thereto, if any, did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (B) the Prospectus as supplemented at the date of such certificate does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (other than the information to be provided in pricing supplements thereto as contemplated by Section l(a) hereof), and (C) since the effective date of the Registration Statement (or the most recent amendment thereto, if any) there has not occurred any event required to be set forth in an amendment to the Registration Statement which has not been so set forth.

(g) The Corporation shall have furnished to the Agents on the Closing Date a letter of Arthur Andersen LLP, addressed jointly to the Corporation and the Agents and dated the Closing Date, of the type described in the American Institute of Certified Public Accountants Statement on Auditing Standards No. 72 substantially in the form heretofore approved by the Agents, covering such specified financial statement items and procedures as the Agents may

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reasonably request and in form and substance reasonably satisfactory to the Agents.

(h) There shall not have occurred, since the date of this Agreement, in the case of the obligations of the Agents to solicit offers, or since the date of the Corporation's acceptance of an offer to purchase Notes, in the case of the obligation to purchase such Notes: any material adverse change in, or any adverse development which materially affects the business, properties, condition (financial or other), results of operations or prospects of the Corporation and its consolidated subsidiaries taken as a whole; a suspension or material limitation in trading in securities generally on the New York Stock Exchange or the establishment of minimum prices on such exchange; a general moratorium on commercial banking activities declared by either federal or New York State authorities; any material adverse change in the existing financial, political or economic conditions in the United States or elsewhere; an outbreak or escalation of major hostilities involving the United States or the declaration of a national emergency or war by the United States; or any downgrading in the rating accorded the Corporation's debt securities by any "nationally recognized statistical rating organization", as that term is defined by the Commission for purposes of Rule 436(g)(2) under the Securities Act, or any public announcement by any such organization that the rating accorded any of the Corporation's debt securities have been placed under surveillance or review with possible negative implications, if the effect thereof in the judgment of such Agent or purchaser makes it impracticable or inadvisable to proceed with the solicitation of offers to purchase Notes or the purchase of Notes from the Corporation, as the case may be.

(i) Prior to the Closing Date, the Corporation shall have furnished to the Agents such further information, certificates and documents as the Agents or counsel to the Agents may reasonably request.

All opinions, letters, evidence and certificates mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance satisfactory to counsel for the Agents.

SECTION 6. Additional Covenants of the Corporation. The Corporation covenants and agrees that:

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(a) Each acceptance by it of an offer for the purchase of Notes solicited by an Agent hereunder shall be deemed to be an affirmation that the representations and warranties of the Corporation contained in this Agreement are true and correct at the time of such acceptance, and an undertaking that such representations and warranties will be true and correct at the time of delivery to the purchaser or his agent of the Notes relating to such acceptance as though made at and as of each such time (and it is understood that such representations and warranties shall relate to the Registration Statement and the Prospectus as amended or supplemented to each such time).

(b) Each time that the Registration Statement or the Prospectus shall be amended or supplemented (other than by a pricing supplement or an amendment or supplement providing solely for a change in the interest rates or maturities of the Notes or a change in the principal amount of Notes remaining to be sold or similar changes and other than by the filing of a document incorporated by reference into the Prospectus other than the documents specified below) or the Corporation files with the Commission an Annual Report on Form 10-K, a Quarterly Report on Form 10-Q, or a Current Report on Form 8-K pursuant to Items 1, 2, 4, or 6 of such Form, the Corporation shall, concurrently with or promptly after such amendment, supplement or filing, furnish the Agents with a certificate of the President, the Vice President--Finance or the Treasurer of the Corporation in form satisfactory to the Agents to the effect that the statements contained in the certificate referred to in Section 5(f) hereof which was last furnished to the Agents are true and correct at the time of such amendment, supplement or filing, as the case may be, as though made at and as of such time (except that such statements shall be deemed to relate to the Registration Statement and the Prospectus as amended and supplemented to such time) or, in lieu of such certificate, a certificate of the same tenor as the certificate referred to in said Section 5(f), modified as necessary to relate to the Registration Statement and the Prospectus as amended and supplemented to the time of delivery of such certificate; provided, however, that if at the time of such amendment or supplement, the Corporation is not accepting offers to purchase the Notes or has instructed the Agents to cease their solicitation of offers to purchase the Notes, then the certificate required to be delivered pursuant to this Section 6(b) shall not be required until the Corporation requests that the Agents resume the solicitation of offers to purchase Notes.

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(c) Each time that the Registration Statement or the Prospectus shall be amended or supplemented (other than by a pricing supplement or an amendment or supplement providing solely for a change in the interest rates or maturities of the Notes or a change in the principal amount of Notes remaining to be sold or similar changes and other than by the filing of a document incorporated by reference into the Prospectus other than the documents specified below) or the Corporation files with the commission an Annual Report on Form 10-K, a Quarterly Report on Form 10-Q, or a Current Report on Form 8-K pursuant to Items 1, 2, 4, or 6 of such Form, the Corporation shall, concurrently with or promptly after such amendment, supplement or filing, furnish the Agents and their counsel with the written opinion of the General Counsel or the Assistant General counsel of the Corporation, addressed to the Agents and dated the date of delivery of such opinion, in form satisfactory to the Agents, of the same tenor as the opinion referred to in Section 5(e) hereof, but modified, as necessary, to relate to the Registration Statement and the Prospectus as amended or supplemented to the time of delivery of such opinion; provided, however, that in lieu of such opinion, such counsel may furnish the Agent with a letter to the effect that the Agent may rely on such prior opinion to the same extent as though it was dated the date of such letter authorizing reliance (except that statements in such prior opinion shall be deemed to relate to the Registration Statement and the Prospectus as amended or supplemented to the time of delivery of such letter authorizing reliance); provided, further, however, that if at the time of such amendment or supplement, the Corporation is not accepting offers to purchase the Notes or has instructed the Agents to cease their solicitation of offers to purchase the Notes, then the opinion or letter required to be delivered pursuant to this Section 6(c) shall not be required until the Corporation requests that the Agents resume the solicitation of offers to purchase Notes.

(d) Each time that the Registration Statement or the Prospectus shall be amended or supplemented to include additional financial information (other than by the filing of a document incorporated by reference into the Prospectus other than the documents specified below) or the Corporation files with the Commission an Annual Report on Form 10-K, a Quarterly Report on Form 10-Q or a current Report on Form 8-K pursuant to Items 2 or 4 of such Form, the Corporation shall cause Arthur Andersen LLP (or the Corporation's then current independent public accountants) to furnish the

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Agents, concurrently with or promptly after such amendment, supplement or filing, a letter, addressed jointly to the Corporation and the Agents and dated the date of delivery of such letter, in form and substance reasonably satisfactory to the Agents, of the same tenor as the letter referred to in Section 5(g) hereof but modified to relate to the Registration Statement and the Prospectus, as amended and supplemented to the date of such letter, with such changes as may be necessary to reflect changes in the financial statements and other information derived from the accounting records of the Corporation; provided, however, that if the Registration Statement or the Prospectus is amended or supplemented solely to include financial information as of and for a fiscal quarter, Arthur Andersen LLP may limit the scope of such letter to the unaudited financial statements included in such amendment or supplement unless there is contained therein any other accounting, financial or statistical information that, in the reasonable judgment of the Agents, should be covered by such letter, in which event such letter shall also cover such other information; provided, further, however, that if at the time of such amendment or supplement, the Corporation is not accepting offers to purchase the Notes or has instructed the Agents to cease their solicitation of offers to purchase the Notes, then the letter required to be delivered pursuant to this Section 6(d) shall not be required until the Corporation requests that the Agents resume the solicitation of offers to purchase Notes.

SECTION 7. Indemnities. (a) By the Corporation. The Corporation agrees to indemnify and hold harmless each Agent and each person who controls either Agent within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Securities Act, the Exchange Act or any other statute or common law, and to reimburse the Agents and such controlling persons for any legal or other expenses reasonably incurred by them in connection with investigating any claims and defending any actions, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any post-effective amendment thereof, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (ii) any untrue statement or alleged

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untrue statement of a material fact contained in any preliminary prospectus, if used prior to the issue date of the Prospectus, or contained in the Prospectus (as amended or supplemented, if the Corporation shall have filed with the Commission any amendment thereof or supplement thereto), if used within the period during which the Agents are authorized to solicit offers to purchase the Notes as provided in Section 2(b) hereof, or the omission or alleged omission to state therein (if so used) a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the indemnity agreement contained in this Section 7(a) shall not apply to any such losses, claims, damages, liabilities or actions arising out of, or based upon, any such untrue statement or alleged untrue statement, or any such omission or alleged omission if such statement or omission was made in reliance upon and in conformity with information furnished in writing to the Corporation by or on behalf of either Agent for use in connection with the preparation of the Registration Statement, any preliminary prospectus or the Prospectus or any such amendment thereof or supplement thereto, or was contained in that part of the Registration Statement constituting the Statement of Eligibility and Qualification (Form T-1) under the Trust Indenture Act of the Trustee; and provided, further, such indemnity with respect to the Prospectus or any preliminary prospectus shall not inure to the benefit of an Agent (or any person controlling such Agent) if the person asserting any such loss, claim, damage or liability purchased the Notes which are the subject thereof from such Agent and such person did not receive a copy of the Prospectus (or the Prospectus as supplemented) excluding documents incorporated therein by reference at or prior to the confirmation of the sale of such Notes to such person in any case where such delivery is required by the Securities Act and the untrue statement or omission of a material fact contained in the Prospectus or any preliminary prospectus was corrected in the Prospectus (or the Prospectus as supplemented). The indemnity agreement contained in this Section 7(a) is subject to the undertaking of the Corporation with respect to indemnification of officers and directors of the Corporation contained in the Registration Statement, but only to the extent stated in said undertaking.

(b) By the Agents. Each Agent agrees, in the manner and to the same extent as set forth in Section 7(a) hereof, to indemnify and hold harmless the Corporation, each

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person who controls the Corporation within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, each director of the Corporation and each of its officers who shall have signed the Registration Statement, with respect to any statement in or omission from the Registration Statement or any post-effective amendment thereof or the Basic Prospectus, any preliminary prospectus or the Prospectus (as amended or supplemented, if so amended or supplemented), if such statement or omission was made in reliance upon and in conformity with information furnished as herein stated or otherwise furnished in writing to the Corporation by or on behalf of such Agent for use in connection with the preparation of the Registration Statement or any preliminary prospectus or the Prospectus or any such amendment thereof or supplement thereto.

(c) General. Each indemnified party will, promptly after the receipt of notice of the commencement of any action against such indemnified party in respect of which indemnity may be sought from an indemnifying party on account of an indemnity agreement contained in this Section 7, notify the indemnifying party in writing of the commencement thereof. The omission of any indemnified party so to notify an indemnifying party of any such action shall relieve such indemnifying party from any liability which it may have to such indemnified party on account of the indemnity agreement contained in this Section 7, but shall not relieve such indemnifying party from any other liability which it may have to such indemnified party. Except as provided in the next succeeding sentence, in case any such action shall be brought against any indemnified party and it shall notify an indemnifying party of the commencement thereof, such indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party, and after notice from such indemnifying party to such indemnified party of its election so to assume the defense thereof, such indemnifying party will not be liable to such indemnified party under this Section 7 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. Such indemnified party shall have the right to employ its own counsel in any such action, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the employment of such counsel has been authorized by the indemnifying party in connection with the defense of

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such action, (ii) the named parties to any such action (including any impleaded parties) include both such indemnified party and the indemnifying party and such indemnified party shall have been advised by such counsel that representation of both such indemnified party and the indemnifying party by the same counsel would be inappropriate due to actual or potential differing interests between them (in which case the indemnifying party shall not have the right to assume the defense of such action on behalf of such indemnified party, it being understood, however, that the indemnifying party shall not, in connection with any one such action, or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses with respect to any period during the pendency of such action or similar or related actions of more than one separate firm of attorneys for all indemnified parties so named by the Corporation or by Agent, as the case may be, it being further understood, however, that the firm of attorneys so designated may be changed from time to time with respect to different periods during the pendency of such action or similar or related actions) or (iii) the indemnifying party shall not have assumed the defense of such action and employed counsel therefor satisfactory to such indemnified party within a reasonable time after notice of commencement of such action, in any of which events such fees and expenses shall be borne by the indemnifying party.

The indemnifying party shall not be liable for any settlement of any action or claim effected without its consent, which consent shall not be unreasonably withheld.

(d) Contribution. If the indemnification provided for in this Section 7 shall for any reason be unavailable to an indemnified party under Section 7(a) or 7(b) hereof in respect of any loss, claim, damage or liability or any action in respect thereof, referred to therein, then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability, or action in respect thereof, (i) in such proportion as shall be appropriate to reflect the relative benefits received by the Corporation on the one hand and the Agents on the other from the offering of the Notes or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits

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referred to in clause (i) above but also the relative fault of the Corporation on the one hand and the Agents on the other with respect to the statements or omissions which resulted in such loss, claim, damage or liability, or action in respect thereof, as well as any other relevant equitable considerations. The relative benefits received by the Corporation on the one hand and either Agent on the other with respect to such offering shall be deemed to be in the same proportion as the total net proceeds from the offering of the Notes (before deducting expenses) received by the Corporation bear to the total commissions received by such Agent with respect to such offering. The relative fault of the Corporation on the one hand and the Agents on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Corporation or the Agents, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such statement or omission. The Corporation and the Agents agree that it would not be just and equitable if contributions pursuant to this Section 7(d) were to be determined by pro rata allocation (even if the Agents were treated as one entity for such purpose) or by any other method of allocation which does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, damage or liability, or action in respect thereof, referred to above in this Section 7(d) shall be deemed to include, for purposes of this Section 7(d), any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such claim. Notwithstanding the provisions of this Section 7(d), neither Agent shall be required to contribute any amount in excess of the amount by which the total price at which the Notes sold through such Agent were offered to the public exceeds the amount of any damages which such Agent has otherwise paid or become liable to pay by reason of any untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(e) Survival of Indemnity and Contribution Agreements. The respective indemnity and contribution agreements of the Corporation and the Agents contained in this Section 7, and the representations and warranties of

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the Corporation set forth in Section 1 hereof, shall remain operative and in full force and effect, regardless of any termination or cancellation of this Agreement or any investigation made by or on behalf of (i) either Agent or any such controlling person of an Agent or (ii) the Corporation or any such controlling person, director or officer of the Corporation and shall survive the delivery of the Notes, and any successor of any Agent or of any such controlling person or of the Corporation, or any legal representative of any such controlling person, director or officer, as the case may be, shall be entitled to the benefit of the respective indemnity and contribution agreements.

SECTION 8. Status of Each Agent. In soliciting offers to purchase the Notes from the Corporation pursuant to this Agreement (other than offers to purchase pursuant to Section 11), each Agent is acting solely as agent for the Corporation and not as principal. Each Agent will make reasonable efforts to assist the Corporation in obtaining performance by each purchaser whose offer to purchase Notes from the Corporation has been solicited by such Agent and accepted by the Corporation, but such Agent shall have no liability to the Corporation in the event any such purchase is not consummated for any reason. If the Corporation shall default in its obligations to deliver Notes to a purchaser whose offer it has accepted, the Corporation shall (i) hold the Agents harmless against any loss, claim or damage arising from or as a result of such default by the Corporation and (ii), in particular, pay to the Agents any commission to which they would be entitled in connection with such sale. The Corporation does not authorize either Agent to give any information or make any representations, other than those contained in the Prospectus, as from time to time amended or supplemented, in connection with the sale of the Notes.

SECTION 9. Representations and Warranties to Survive Delivery. All representations and warranties of the Corporation contained in this Agreement, or contained in certificates of officers of the Corporation submitted pursuant hereto, shall remain operative and in full force and effect, regardless of the termination or cancellation of this Agreement or any investigation made by or on behalf of either Agent or any person controlling such Agent or by or on behalf of the Corporation, and shall survive each delivery of and payment for any of the Notes.

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SECTION 10. Termination. This Agreement may be terminated for any reason, at any time, by either the Corporation as to any Agent or an Agent insofar as this Agreement relates to such Agent upon the giving of one day's written notice of such termination to such Agent or the Corporation, as the case may be. The provisions of Sections 3(c) (with respect to Notes that have been sold but not yet delivered and with respect to Notes owned by an Agent which were purchased from the Corporation by such Agent as principal with the intention of reselling them), 3(h), 3(j), 4, 7, 8, 9, 13 and 14 hereof shall survive any such termination.

SECTION 11. Purchases as Principal. From time to time an Agent may agree with the Corporation to purchase Notes from the Corporation as principal, in which case such purchase shall be made in accordance with the terms of a separate agreement, which may be either an oral or written agreement (a "Purchase Agreement"), to be entered into between such Agent and the Corporation in the form attached hereto as Exhibit C or in such other form as may be agreed to by the parties. A Purchase Agreement, to the extent set forth therein, may incorporate by reference specified provisions of this Agreement. In connection with any resale of Notes purchased by the Agents, the Agents may use a selling or dealer group and may reallow any portion of the commission payable pursuant hereto to dealers or purchasers.

SECTION 12. Sales of Securities Denominated in a Foreign Currency. If at any time the Corporation and any of the Agents shall determine to issue and sell Notes denominated in a currency or currency unit other than U.S. dollars, which other currency may include a composite currency, the Corporation and such Agent shall execute and deliver a Foreign Currency Amendment in the form attached hereto as Exhibit D. The Foreign Currency Amendment shall establish, as appropriate, additions and modifications to this Agreement that shall apply to the sales, whether offered on an agency or principal basis, of all Notes denominated in the currency or currency unit covered thereby.

SECTION 13. Notices. Except as otherwise provided herein, all notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if sent by registered mail or transmitted by any standard form of telecommunication. Notices to the Agents shall be directed to them as follows: Lehman Brothers, Lehman Brothers Inc., 3 World

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Financial Center, New York, New York 10285-1200, Attention: Medium-Term Note Department, 12th Floor; and Goldman, Sachs & Co., 85 Broad Street, New York, New York 10004, Attention: Credit Department. Notice to the Corporation shall be directed to it as follows: Air Products and Chemicals, Inc., 7201 Hamilton Boulevard, Allentown, Pennsylvania 18195-1501, Attention: Corporate Secretary.

SECTION 14. Binding Effect; Benefits. This Agreement shall be binding upon each Agent, the Corporation, and their respective successors. This Agreement and the terms and provisions hereof are for the sole benefit of only those persons, except that (a) the indemnity agreement of the Corporation contained in Section 7 hereof shall also be deemed to be for the benefit of the person or persons, if any, who control the Agents within the meaning of Section 15 of the Securities Act, and (b) the indemnity agreement of the Agents contained in Section 7 hereof shall be deemed to be for the benefit of directors of the Corporation, officers of the Corporation who have signed the Registration Statement and any persons controlling the Corporation within the meaning of Section 15 of the Securities Act. Nothing in this Agreement is intended or shall be considered to give any person, other than the persons referred to in this Section, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein. The term "successor" or the term "successors and assigns" as used in this Agreement shall not include any purchaser (in its capacity of purchaser) of any of the Notes.

SECTION 15. Governing Law; Counterparts. This Agreement shall be governed by and construed in accordance with the laws of New York. This Agreement may be executed in counterparts and the executed counterparts shall together constitute a single instrument.

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If the foregoing correctly sets forth our agreement, please indicate your acceptance hereof in the space provided for that purpose below.

Very truly yours,

AIR PRODUCTS AND CHEMICALS, INC.,

by

Title: Vice President and Treasurer

CONFIRMED AND ACCEPTED, as of the date first above written:

LEHMAN BROTHERS INC.

by

GOLDMAN, SACHS & CO.

by

EXHIBIT A

AIR PRODUCTS AND CHEMICALS, INC.
Medium-Term Notes, Series D
Schedule of Payments

The Corporation agrees to pay each Agent a commission equal to the following percentage of the aggregate U.S. dollar equivalent of the principal amount of Notes sold by such Agent:

Term	Commission Rate
9 months to less than 12 months	.125%
12 months to less than 18 months	.150%
18 months to less than 2 years	.200%
2 years to less than 3 years	.250%
3 years to less than 4 years	.350%
4 years to less than 5 years	.450%
5 years to less than 6 years	.500%
6 years to less than 7 years	.550%
7 years to less than 10 years	.600%
10 years or more	.625%

EXHIBIT B

MEDIUM-TERM NOTES, SERIES D
ADMINISTRATIVE PROCEDURES

Medium-Term Notes, Series D Due from 9 months to 20 years from date of issue (the "Notes") are to be offered on a continuing basis by Air Products and Chemicals, Inc. (the "Corporation") through Lehman Brothers, a division of Lehman Brothers Inc., and Goldman, Sachs & Co., and such other agents as the Corporation shall appoint from time to time on terms substantially identical to those set forth in the Agency Agreement (each an "Agent", and, collectively, the "Agents"), who, as agents have agreed to use their reasonable best efforts to solicit offers to purchase the Notes from the Corporation. The Agents may also purchase Notes as principal for resale.

The Notes are being sold pursuant to an Agency Agreement between the Corporation and the Agents dated , 1995 (as it may be amended from time to time, the "Agency Agreement") to which these administrative procedures are attached as an exhibit. The Corporation has reserved the right to sell Notes directly on its own behalf. The Notes will be issued pursuant to an Indenture, dated as of January 10, 1995, (as it may be amended or supplemented from time to time, the "Indenture"), between the Corporation and First Fidelity Bank, National Association, as trustee (the "Trustee"). The Notes will rank equally with all other unsecured and unsubordinated indebtedness of the Corporation and will have been registered with the Securities and Exchange Commission (the "Commission"). A Registration Statement (the "Registration Statement") with respect to the Notes has been filed with the Commission. The Prospectus included in the Registration Statement that describes the terms of the Notes, as supplemented from time to time, is herein referred to as the "Prospectus Supplement". The supplement to the Prospectus that sets forth the specific terms of the Notes is herein referred to as the "Pricing Supplement".

The Notes will either be issued (a) in book-entry form and represented by one or more fully registered Notes (each, a "Book-Entry Note") delivered to the Trustee, as agent for The Depository Trust Corporation ("DTC"), and recorded in the book-entry system maintained by DTC, or (b) in certificated form delivered to the purchaser thereof or a person designated by such purchaser. Only Notes denominated in U.S. dollars may be issued as Book-Entry

Notes. Owners of beneficial interests in Notes issued in book-entry form will be entitled to physical delivery of Notes in certificated form equal in principal amount to their respective beneficial interests only upon certain limited circumstances described in the Prospectus Supplement.

General procedures relating to the issuance of all Notes are set forth in Part I hereof. Additionally, Notes issued in book-entry form will be issued in accordance with the procedures set forth in Part II hereof and Notes issued in certificated form will be issued in accordance with the procedures set forth in Part III hereof. Capitalized terms used herein that are not otherwise defined shall have the meanings ascribed thereto in the Indenture or the Notes, as the case may be.

PART I: PROCEDURES OF GENERAL APPLICABILITY

Price to Public:	Each Note will be issued at 100% of principal amount, unless otherwise determined by the Corporation.
Date of Issuance/ Authentication:	Each Note will be dated as of the date of its authentication by the Trustee. Each Note shall also bear an original issue date (the "Original Issue Date"). The Original Issue Date shall remain the same for all Notes subsequently issued upon transfer, exchange or substitution of an original Note regardless of their dates of authentication.

Maturities:	Each Note will mature on a Business Day (as defined below) selected by the purchaser and agreed to by the Corporation which is not less than nine months nor more than twenty years from its Original Issue Date; provided, however, that Notes bearing interest at rates determined by reference to selected indices ("Floating Rate Notes") will mature on an Interest Payment Date.
Registration:	Notes will be issued only in fully registered form.
Calculation of Interest:	In the case of Fixed Rate Notes, interest (including payments for partial periods) will be calculated and paid on the basis of a 360-day year of twelve 30-day months. In the case of Floating Rate Notes, interest will be calculated in the manner set forth in the Prospectus Supplement.
Acceptance and Rejection of Offers:	The Corporation shall have the sole right to accept offers to purchase Notes from the Corporation and may reject any such offer in whole or in part. Each Agent shall communicate to the Corporation, orally or in writing, each reasonable offer to purchase Notes from the Corporation received by it. Each Agent shall have the right, in its discretion reasonably exercised, without notice to the Corporation, to reject any offer to purchase Notes through it in whole or in part.
Preparation of Pricing Supplement:	If any offer to purchase a Note is accepted by the Corporation, the Corporation, with the approval of the Agent which presented such

offer (the "Presenting Agent"), will prepare a Pricing Supplement (a "Pricing Supplement") reflecting the terms of such Note and file 10 Pricing Supplements relating to the Notes and the plan of distribution thereof with the commission in accordance with Rule 424 under the Securities Act of 1933 and will supply by next day mail or telecopy at least one copy thereof (and additional copies if requested) to the Presenting Agent to arrive no later than 11:00 a.m. on the Business Day following the trade date or as soon as practicable thereafter under the circumstances. The Presenting Agent will cause a Prospectus and Pricing Supplement to be delivered to the purchaser of the Note. Such Prospectus and Pricing Supplement will be delivered to the Presenting Agent at the following applicable address: If to Lehman Brothers Inc., by telecopy to Lehman Brothers, Prospectus Delivery Department, Attention: Andrea Springer, Telecopy: (212) 464-6960 and by hand to Lehman Brothers Inc., Medium-Term Note Department, American Express Tower, 200 Vessey Street, 9th Floor, New York, N.Y. 10285, if to Goldman Sachs & Co. by telecopy and by hand to Goldman Sachs & Co., 85 Broad Street, 27th Floor, New York, N.Y. 10004, Attention: Patricia O'Connell, Telephone: (212) 902-1482, Telecopy: (212) 902-0658; and if any other agent, at such address as they shall specify.

In each instance that a Pricing Supplement is prepared, the Agents will affix the Pricing Supplement to the Prospectus prior to their

use. Outdated Pricing Supplements and the Prospectuses to which they are attached (other than those retained for files) will be destroyed.

Settlement: The receipt of immediately available funds in U.S. dollars by the Corporation in payment for a Note and the authentication and delivery of such Note shall, with respect to such Note, constitute "settlement". Offers accepted by the Corporation will be settled from one to five Business Days, or at a time as the purchaser and the Corporation shall agree, pursuant to the timetable for settlement set forth in Parts II and III hereof under "Settlement Procedures" with respect to Book-Entry Notes and Certificated Notes, respectively.

In the event of a purchase of Notes by any Agent as principal, appropriate settlement details will be as agreed between the Agent and the Corporation pursuant to the applicable Purchase Agreement. In the event of sales of any Notes denominated in a foreign currency or currency unit, reference is made to Section 12 of the Agency Agreement regarding amendments to the Agency Agreement (including these Administrative Procedures) for sales of Notes so denominated.

Procedure for Changing Rates or other Variable Terms: When a decision has been reached to: change the posted interest rate, spread, the Specified Currency or any other variable term on any Notes being sold by the Corporation, the Corporation will promptly advise the Agents and the Agents will forthwith suspend solicitation of offers to purchase such Notes. The Agents will

telephone the Corporation with recommendations as to the changed interest rates or other variable terms. At such time as the Corporation advises the Agents of the new posted interest rates, spread or other variable terms, the Agents may resume solicitation of offers to purchase such Notes. Until such time only "indications of interest" may be recorded. Immediately after acceptance by the Corporation of an offer to purchase at a new posted interest rate, spread or new variable term, the Corporation, the Presenting Agent and the Trustee shall follow the procedures set forth under the applicable "Settlement Procedures".

Suspension of Solicitation; Amendment or Supplement:

The Corporation may instruct the Agents to suspend solicitation of purchases at any time. Upon receipt of such instructions the Agents will forthwith suspend solicitation of offers to purchase from the Corporation until such time as the Corporation has advised them that solicitation of offers to purchase may be resumed. If the Corporation decides to amend the Registration Statement (including incorporating any documents by reference therein) or supplement any of such documents (other than to change posted interest rates, spreads or other variable terms), it will notify the Agents and will furnish the Agents and their counsel with copies of the amendment or supplement in accordance with Section 3 of the Agency Agreement. One copy of such filed document, along with a copy of the cover letter sent to the Commission, will be delivered or mailed to the Agents at the following respective addresses:

Lehman Brothers, Medium-Term Note Department, 3 World Financial Center (12th Floor), New York, N.Y. 10285-1200; and Goldman Sachs & Co., 85 Broad Street, 27th Floor, New York, N.Y. 10004, Attention: Patricia O'Connell.

In the event that at the time the solicitation of offers to purchase from the Corporation is suspended (other than to change the posted interest rates, spreads or other variable terms) there shall be any orders outstanding which have not been settled, the Corporation will promptly advise the Agents and the Trustee whether such orders may be settled and whether copies of the Prospectus as theretofore amended and/or supplemented as in effect at the time of the suspension may be delivered in connection with the settlement of such orders. The Corporation will have the sole responsibility for such decision and for any arrangements which may be made in the event that the Corporation determines that such orders may not be settled or that copies of such Prospectus may not be so delivered.

Delivery of Prospectus: A copy of the most recent Prospectus, Prospectus Supplement and Pricing Supplement must accompany or precede the earlier of (a) the written confirmation of a sale sent to a customer or his agent and (b) the delivery of Notes to a customer or his agent.

Authenticity of Signatures: The Corporation will provide to the Trustee a list of the names of its representatives that are authorized to communicate the purchase information and to confirm such

purchase information. The Trustee will provide to the Corporation and the Agents a list of its representatives who are authorized to take all necessary action to complete the terms of the Notes and to otherwise complete the procedures set forth herein that are applicable to the Trustee, but the Agents will have no obligation or liability to the Corporation or the Trustee in respect of the authenticity of the signature of any officer, employee or agent of the Corporation or the Trustee on any Note.

Documents Incorporated by Reference: The Corporation shall supply the Agents with an adequate supply of all documents incorporated by reference in the Registration Statement.

Business Day: "Business Day" shall mean any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close in New York, New York, or (i) with respect to Notes denominated in a Foreign Currency, the principal financial center of the country of the Foreign Currency, (ii) with respect to Notes denominated in European Currency Units, Brussels, Belgium, or (iii) with respect to Notes which will bear interest based on a specified percentage of London interbank offered quotations ("LIBOR"), London, England.

Advertising Costs: The Corporation will determine with the Agents the amount and nature of advertising that may be appropriate in offering the Notes. Advertising expenses incurred with the consent

of the Corporation will be paid by the Corporation.

Trustee Not To Risk Funds: Nothing herein shall be deemed to require the Trustee to use or any payments to the Corporation, the Agents or any purchaser, it being understood by all parties that payments made by the Trustee to the Corporation, the Agents or any purchaser shall be made only to the extent that funds are provided to the Trustee for such purpose.

PART II: PROCEDURES FOR NOTES ISSUED IN BOOK-ENTRY FORM

In connection with the qualification of Notes issued in book-entry form for eligibility in the book-entry system maintained by DTC, the Trustee will perform the custodial, document control and administrative functions described below, in accordance with its respective obligations under a Letter of Representations from the Corporation and the Trustee to DTC dated , , and a Medium-Term Note Certificate Agreement dated (the "Certificate Agreement"), between the Trustee and DTC, and its obligations as a participant in DTC, including DTC's Same-Day Funds Settlement System ("SDFS").

Issuance: All Fixed Rate Notes issued in book-entry form having the same Original Issue Date, interest rate and Maturity Date, and if a Currency Indexed Note, the same Specified Currency, Indexed Currency and Base Exchange Rate and if a Commodity Indexed Note, the same comparable terms (collectively, the "Fixed Rate Terms") will be represented initially by a single global security in fully registered form without coupons (each, a "Book-Entry Note"); and all Floating Rate Notes issued in book-entry form having the same Original

Issue Date, base rate upon which interest may be determined (each, a "Base Rate"), which may be the Commercial Paper Rate, the Treasury Rate, LIBOR, or any other rate set forth by the Corporation, Initial Interest Rate, Index Maturity, Spread or Spread Multiplier, if any, minimum interest rate, if any, maximum interest rate, if any, and Maturity Date, and if a Currency Indexed Note, the same Specified Currency, Indexed Currency and Base Exchange Rate and if a Commodity Indexed Note, the same comparable terms (collectively, "Floating Rate Terms") will be represented initially by a single Book-Entry Note.

Each Book-Entry Note will be dated and issued as of the date of its authentication by the Trustee. Each Book-Entry Note will bear an Original Issue Date, which will be (a) with respect to an original Book-Entry Note (or any portion thereof), its Original Issue Date and (b) with respect to any Book-Entry Note (or portion thereof) issued subsequently upon exchange of a Book-Entry Note or in lieu of a destroyed, lost or stolen Book-Entry Note, the most recent Interest Payment Date to which interest has been paid or duly provided for on the predecessor Book-Entry Note or Notes (or if no such payment or provision has been made, the Original Issue Date of the predecessor Book-Entry Note or Notes), regardless of the date of authentication of such subsequently issued Book-Entry Note. No Book-Entry Note shall represent any Note issued in certificated form.

Identification: The Corporation has arranged with the CUSIP Service Bureau of Standard & Poor's Corporation (the "CUSIP Service Bureau") for the reservation of approximately 900 CUSIP numbers which have been reserved for and which relate to Book-Entry Notes and the Corporation has delivered to the Trustee and DTC such list of such CUSIP numbers. The Corporation will assign CUSIP numbers to Book-Entry Notes as described below under Settlement Procedure B. DTC will notify the CUSIP Service Bureau periodically of the CUSIP numbers that the Corporation has assigned to Book-Entry Notes. The Trustee will notify the Corporation at any time when fewer than 100 of the reserved CUSIP numbers remain unassigned to Book-Entry Notes and, if it deems necessary, the Corporation will reserve additional CUSIP numbers for assignment to Book-Entry Notes. Upon obtaining such additional CUSIP numbers, the Corporation will deliver a list of such additional numbers to the Trustee and DTC. Book-Entry Notes having an aggregate principal amount in excess of $150,000,000 and otherwise required to be represented by the same Global Certificate will instead be represented by two or more Global Certificates which shall all be assigned the same CUSIP number.

Registration: Each Book-Entry Note will be registered in the name of Cede & Co., as nominee for DTC, on the register maintained by the Trustee under the Indenture. The beneficial owner of a Note issued in book-entry form (or one or more indirect participants in DTC

designated by such owner) will designate one or more participants in DTC (with respect to such Note issued in book-entry form, the "Participants") to act as agent for such beneficial owner in connection with the book-entry system maintained by DTC, and DTC will record in book-entry form, in accordance with instructions provided by such Participants, a credit balance with respect to such Note issued in book-entry form in the account of such Participants. The ownership interest of such beneficial owner in such Note issued in book-entry form will be recorded through the records of such Participants or through the separate records of such Participants and one or more indirect participants in DTC.

Transfers: Transfers of a Book-Entry Note will be accomplished by book entries made by DTC and, in turn, by Participants (and in certain cases, one or more indirect participants in DTC) acting on behalf of beneficial transferors and transferees of such Book-Entry Note.

Exchanges: The Trustee may deliver to DTC and the CUSIP Service Bureau at any time a written notice specifying (a) the CUSIP numbers of two or more Book-Entry Notes outstanding on such date that represent Book-Entry Notes having the same Fixed Rate Terms or Floating Rate Terms, as the case may be (other than Original Issue Dates), and for which interest has been paid to the same date; (b) a date, occurring at least 30 days

before the next Interest Payment Date for the related Notes issued in book-entry form, on which such Book-Entry Notes shall be exchanged for a single replacement Book-Entry Note; and (c) a new CUSIP number, obtained from the Corporation, to be assigned to such replacement Book-Entry Note. Upon receipt of such a notice, DTC will send to its Participants (including the Trustee) a written reorganization notice to the effect that such exchange will occur on such date. Prior to the specified exchange date, the Trustee will deliver to the CUSIP Service Bureau written notice setting forth such exchange date and the new CUSIP number and stating that, as of such exchange date, the CUSIP numbers of the Book-Entry Notes to be exchanged will no longer be valid. On the specified exchange date, the Trustee will exchange such Book-Entry Notes for a single Book-Entry Note bearing the new CUSIP number and the CUSIP numbers of the exchanged Book-Entry Notes will, in accordance with CUSIP Service Bureau procedures, be cancelled and not immediately reassigned. Notwithstanding the foregoing, if the Book-Entry Notes to be exchanged exceed $150,000,000 in aggregate principal amount, one replacement Book-Entry Note will be authenticated and issued to represent $150,000,000 of principal amount of the exchanged Book-Entry Notes and an additional Book-Entry Note or Notes will be authenticated and issued to represent any remaining principal amount of such Book-Entry Notes (See "Denominations" below).

Denominations:	All Notes issued in book-entry form will be denominated in U.S. dollars. Notes issued in book-entry form will be issued in denominations of $100,000 and any larger denomination which is an integral multiple of $1,000. Book-Entry Notes will be denominated in principal amounts not in excess of $150,000,000. If one or more Notes issued in book-entry form having an aggregate principal amount in excess of $150,000,000 would, but for the preceding sentence, be represented by a single Book-Entry Note, then one Book-Entry Note will be issued to represent $150,000,000 principal amount of such Note or Notes issued in book-entry form and an additional Book-Entry Note or Notes will be issued to represent any remaining principal amount of such Note or Notes issued in book-entry form. In such a case, each of the Book-Entry Notes representing such Note or Notes issued in book-entry form shall be assigned the same CUSIP number.
Interest:	General. Interest, if any, on each Note issued in book-entry form will accrue from the Original Issue Date for the first interest period or the last date to which interest has been paid, if any, for each subsequent interest period. Each payment of interest on a Note issued in book-entry form will include interest accrued through the day preceding, as the case may be, the Interest Payment Date (provided that in the case of Floating Rate Notes which reset daily or weekly, interest payments will include interest accrued to but excluding the Record Date

immediately preceding the Interest Payment Date), or to but excluding the Maturity Date (each Maturity Date is referred to herein as "Maturity"). Interest payable at Maturity of a Note issued in book-entry form will be payable to the person to whom the principal of such Note is payable. DTC will arrange for each pending deposit message described under Settlement Procedure C below to be transmitted to Standard & Poor's, which will use the information in the message to include certain terms of the related Book-Entry Note in the appropriate daily bond report published by Standard & Poor's Corporation.

Record Dates. The record date (the "Record Date") with respect to any Interest Payment Date shall be the date 15 calendar days (whether or not a Business Day) preceding such Interest Payment Date.

Interest Payment Dates. Interest payments will be made on each Interest Payment Date commencing with the first Interest Payment Date following the Original Issue Date; provided, however, the first payment of interest on any Book-Entry Note originally issued between a Record Date and an Interest Payment Date will occur on the Interest Payment Date following the next Record Date.

If an Interest Payment Date with respect to any Floating Rate Note issued in book-entry form would otherwise fall on a day that is not a Business Day with respect to such Note, such Interest Payment Date will be the following day

that is a Business Day with respect to such Note, except that in the case of a LIBOR Note, if such day falls in the next calendar month, such Interest Payment Date will be the preceding day that is a London Business Day.

Fixed Rate Notes. Interest payments on Fixed Rate Notes issued in book-entry form will be made semiannually on June 15 and December 15 of each year unless otherwise specified in such Note, and at Maturity.

Floating Rate Notes. Interest payments on Floating Rate Notes issued in book-entry form will be made as specified in the Floating Rate Note.

Notice of Interest Payments and Record Dates. On the first Business Day of January, April, July and October of each year, the Trustee will deliver to the Corporation and DTC a written list of Record Dates and Interest Payment Dates that will occur during the six-month period beginning on such first Business Day with respect to Floating Rate Notes issued in book-entry form. Promptly after each Interest Determination Date for Floating Rate Notes issued in book-entry form, the Trustee will notify Standard & Poor's Corporation of the interest rates determined on such Interest Determination Date.

Payments of Principal and Interest:

Payments of Interest Only. Promptly after each Record Date, the Trustee will deliver to the Corporation and DTC a written notice specifying by CUSIP number the amount of interest to be paid

on each Book-Entry Note on the following Interest Payment Date (other than an Interest Payment Date coinciding with Maturity) and the total of such amounts. DTC will confirm the amount payable on each Book-Entry Note on such Interest Payment Date by reference to the daily bond reports published by Standard & Poor's Corporation. On such Interest Payment Date, the Corporation will pay to the Trustee, and the Trustee in turn will pay to DTC, such total amount of interest due (other than at Maturity), at the times and in the manner set forth below under "Manner of Payment".

Payments at Maturity. On or about the first Business Day of each month, the Trustee will deliver to the Corporation and DTC a written list of principal, interest and premium, if any, to be paid on each Book-Entry Note maturing either at the Maturity Date or on a Redemption Date in the following month. The Trustee, the Corporation and DTC will confirm the amounts of such principal and interest payments with respect to a Book-Entry Note on or about the fifth Business Day preceding the Maturity of such Book-Entry Note. At such Maturity, the Corporation will pay to the Trustee, and the Trustee in turn will pay to DTC, the principal amount of such Note, together with interest and premium, if any, due at such Maturity, at the times and in the manner set forth below under "Manner of Payment". If any Maturity of a Book-Entry Note is not a Business Day, the payment due on such day shall be made on the next succeeding Business Day

and no interest shall accrue on such payment for the period from and after such Maturity. Promptly after payment to DTC of the principal, interest and premium, if any, due at the Maturity of such Book-Entry Note, the Trustee will cancel such Book-Entry Note and deliver it to the Corporation with an appropriate debit advice. On the first Business Day of each month, the Trustee will deliver to the Corporation a written statement indicating the total principal amount of outstanding Book-Entry Notes as of the immediately preceding Business Day.

Manner of Payment. The total amount of any principal, premium, if any, and interest due on Book-Entry Notes on any Interest Payment Date or at Maturity shall be paid by the Corporation to the Trustee in funds available for use by the Trustee as of 9:30 a.m., New York City time, on such date. The Corporation will make such payment on such Book-Entry Notes by instructing the Trustee to withdraw funds from an account maintained by the Corporation at the Trustee. The Corporation will confirm such instructions in writing to the Trustee. Prior to 10:00 a.m., New York City time, on such date or as soon as possible thereafter, the Trustee will pay by separate wire transfer (using Fedwire message entry instructions in a form previously specified by DTC) to an account at the Federal Reserve Bank of New York previously specified by DTC, in funds available for immediate use by DTC, each payment of interest, principal and premium, if any, due

on a Book-Entry Note on such date. Thereafter on such date, DTC will pay, in accordance with its SDFS operating procedures then in effect, such amounts in funds available for immediate use to the respective Participants in whose names such Notes are recorded in the book-entry system maintained by DTC. Neither the Corporation nor the Trustee shall have any responsibility or liability for the payment by DTC of the principal of, or interest on, the Book-Entry Notes to such Participants.

Withholding Taxes. The amount of any taxes required under applicable law to be withheld from any interest payment on a Note will be determined and withheld by the Participant, indirect participant in DTC or other person responsible for forwarding payments and materials directly to the beneficial owner of such Note.

Settlement Procedures:

Settlement Procedures with regard to each Note in book-entry form sold by each Agent, as agent of the Corporation, will be as follows:

A. The Presenting Agent will advise the Corporation in writing, by telex or facsimile, or by telephone (with written confirmation on the next Business Day) of the following Settlement information:

1. Taxpayer identification number of the purchaser.

2. Principal amount of the Note.

3.1 Fixed Rate Notes:

(a) interest rate.

3.2 Floating Rate Notes:

(a) base rate;
(b) initial interest rate;
(c) spread or spread multiplier, if any;
(d) interest reset dates;
(e) reset period;
(f) interest payment dates;
(g) index maturity;
(h) calculation agent;
(i) maximum interest rate, if any;
(j) minimum interest rate, if any; and
(k) interest determination dates.

3.3 Currency Indexed Notes:

(a) specified currency
(b) indexed currency
(c) face amount
(d) base exchange rate
(e) determination agent
(f) reference dealers
(g) base interest rate, if any

3.4 Commodity Indexed Note:

(a) applicable terms

4. Price to public of the Note.

5. Trade date.

6. Settlement Date.

7. Maturity Date.

8. Redemption or repayment provisions, if any.

9. Net proceeds to the Corporation.

10. Agent's commission (to be paid in the form of a discount from the proceeds remitted to the Corpor-ation upon Settlement).

11. If applicable, total amount of original issue discount ("OID"), yield to maturity and the initial accrual period OID.

12. Any other provisions.

B. The Corporation will assign a CUSIP number to the Book-Entry Note representing such Note and then advise the Trustee by electronic transmission of the above settlement information received from the Presenting Agent, such CUSIP number and the name of the Agent.

C. The Trustee will communicate to DTC and the Agent through DTC's Participant Terminal System, a pending deposit message specifying the following settlement information:

1. The information set forth in Settlement Procedure A.

2. Identification numbers of the participant accounts maintained by DTC on behalf of the Trustee and the Agent.

3. Identification as a Fixed Rate Book-Entry Note or a

Floating Rate Book-Entry Note.

4. Initial Interest Payment Date for such Note, number of days by which such date succeeds the related record date for DTC purposes (or, in the case of Floating Rate Notes which reset daily or weekly, the date five calendar days preceding the Interest Payment Date) and, if then calculable, the amount of interest payable on such Interest Payment Date (which amount shall have been confirmed by the Trustee).

5. CUSIP number of the Book-Entry Note representing such Note.

6. Whether such Book-Entry Note represents any other Notes issued or to be issued in book-entry form.

D. The Corporation will provide to the Trustee the above Settlement information received from the Agent and shall cause the Trustee to issue and authenticate a Book-Entry Note representing such Note in a form that has been approved by the Corporation, the Agents and the Trustee.

E. The Trustee will authenticate the Book-Entry Note representing such Note.

F. DTC will credit such Note to the participant account of the Trustee maintained by DTC.

G. The Trustee will enter an SDFS deliver order through DTC's Participant Terminal System instructing DTC (i) to debit such Note to the Trustee's participant account and credit such Note to the participant account of the Presenting Agent maintained by DTC and (ii) to debit the settlement account of the Presenting Agent and credit the settlement account of the Trustee maintained by DTC, in an amount equal to the price of such Note less such Agent's commission. Any entry of such a deliver order shall be deemed to constitute a representation and warranty by the Trustee to DTC that (i) the Book-Entry Note representing such Note has been issued and authenticated and (ii) the Trustee is holding such Book-Entry Note pursuant to the Medium-Term Note Certificate Agreement between the Trustee and DTC.

H. The Presenting Agent will enter an SDFS deliver order through DTC's Participant Terminal System instructing DTC (i) to debit such Note to the Presenting Agent's participant account and credit such Note to the participant account of the Participants maintained by DTC and (ii) to debit the settlement accounts of such Participants and credit the settlement account of the Presenting Agent maintained by DTC, in an amount equal to the initial public offering price of such Note.

I. Transfers of funds in accordance with SDFS deliver

orders described in Settlement Procedures G and H will be settled in accordance with SDFS operating procedures in effect on the Settlement Date.

J. The Trustee will credit to an account of the Corporation maintained at the Trustee funds available for immediate use in the amount transferred to the Trustee in accordance with Settlement Procedure G.

K. The Trustee will send a copy of the Book-Entry Note by first class mail to the Corporation together with a statement setting forth the principal amount of Notes outstanding as of the related Settlement Date after giving effect to such transaction and all other offers to purchase Notes of which the Corporation has advised the Trustee but which have not yet been settled.

L. The Agent will confirm the purchase of such Note to the purchaser either by transmitting to the Participant with respect to such Note a confirmation order through DTC's Participant Terminal System or by mailing a written confirmation to such purchaser.

Settlement Procedures Timetable: For orders of Notes accepted by the Corporation, Settlement Procedures "A" through "L" set forth above shall be completed as soon as possible but not later than the respective times (New York City time) set forth below:

Settlement Procedure	Time
A-B	11:00 a.m. on the trade date
C	2:00 p.m. on the trade date
D	3:00 p.m. on the Business Day before Settlement Date
E	9:00 a.m. on Settlement Date
F	10:00 a.m. on Settlement Date
G-H	No later than 2:00 p.m. on Settlement Date
I	4:45 p.m. on Settlement Date
J-L	5:00 p.m. on Settlement Date

If a sale is to be settled more than one Business Day after the sale date, Settlement Procedures A, B, and C may, if necessary, be completed at any time prior to the specified times on the first Business Day after such sale date. In connection with a sale which is to be settled more than one Business Day after the trade date, if the initial interest rate for a Floating Rate Note is not known at the time that Settlement Procedure A is completed, Settlement Procedures B and C shall be completed as soon as such rates have been determined, but no later than 11:00 a.m. and 2:00 p.m., New York City time, respectively, on the second Business Day before the Settlement Date. Settlement Procedure I is subject to extension in accordance with any extension of Fedwire closing deadlines and in the other events specified in the SDFS operating procedures in effect on the Settlement Date.

If settlement of a Note issued in book-entry form is rescheduled or canceled, the Trustee will deliver to DTC, through DTC's Participant Terminal System, a cancellation message to such effect by no later than 2:00 p.m., New York City time, on the Business Day immediately preceding the scheduled Settlement Date.

Failure to Settle:

If the Trustee fails to enter an SDFS deliver order, with respect to a Book-Entry Note issued in book-entry form pursuant to Settlement Procedure G, the Trustee may deliver to DTC, through DTC's Participant Terminal System, as soon as practicable a withdrawal message instructing DTC to debit such Note to the participant account of the Trustee maintained at DTC. DTC will process the withdrawal message, provided that such participant account contains a principal amount of the Book-Entry Note representing such Note that is at least equal to the principal amount to be debited. If withdrawal messages are processed with respect to all the Notes represented by a Book-Entry Note, the Trustee will mark such Book-Entry Note "canceled", make appropriate entries in its records and send such canceled Book-Entry Note to the Corporation. The CUSIP number assigned to such Book-Entry Note shall, in accordance with CUSIP Service Bureau procedures, be cancelled and not immediately reassigned. If withdrawal messages are processed with respect to a portion of the Notes represented by a Book-Entry Note, the Trustee will exchange such Book-Entry Note

for two Book-Entry Notes, one of which shall represent the Book-Entry Notes for which withdrawal messages are processed and shall be canceled immediately after issuance, and the other of which shall represent the other Notes previously represented by the surrendered Book-Entry Note and shall bear the CUSIP number of the surrendered Book-Entry Note. If the purchase price for any Book-Entry Note is not timely paid to the Participants with respect to such Note by the beneficial purchaser thereof (or a person, including an indirect participant in DTC, acting on behalf of such purchaser), such Participants and, in turn, the related Agent may enter SDFS deliver orders through DTC's Participant Terminal System reversing the orders entered pursuant to Settlement Procedures G and H, respectively. Thereafter, the Trustee will deliver the withdrawal message and take the related actions described in the preceding paragraph. If such failure shall have occurred for any reason other than default by the applicable Agent to perform its obligations hereunder or under the Distribution Agreement, the Corporation will reimburse such Agent on an equitable basis for its loss of the use of funds during the period when the funds were credited to the account of the Corporation. An Agent will not be entitled to any commission with respect to any Note which the purchaser does not accept or make payment for.

Notwithstanding the foregoing, upon any failure to settle with respect to a Book-Entry Note, DTC

may take any actions in accordance with its SDFS operating procedures then in effect. In the event of a failure to settle with respect to a Note that was to have been represented by a Book-Entry Note also representing other Notes, the Trustee will provide, in accordance with Settlement Procedure E, for the authentication and issuance of a Book-Entry Note representing such remaining Notes and will make appropriate entries in its records.

PART III: PROCEDURES FOR NOTES ISSUED IN CERTIFICATED FORM

Denominations: The Notes will be issued in denominations of U.S. $100,000 and integral multiples of U.S. $1,000 in excess thereof, or, in the case of Notes denominated in a Specified Currency other than U.S. dollars, the denominations set forth in the Prospectus Supplement and the applicable Pricing Supplement.

Interest: Each Note will bear interest in accordance with its terms. Interest will begin to accrue on the original issue date of a Note for the first interest period and on the most recent interest payment date to which interest has been paid for all subsequent interest periods. Each payment of interest shall include interest accrued to, but excluding, the date of such payment. Interest payments in respect of Fixed Rate Notes will be made semiannually on June 15 and December 15 of each year unless otherwise specified in such Note, and at maturity.

However, the first payment of interest on any Note issued between a Record Date and an Interest Payment Date will be made on the Interest Payment Date following the next succeeding Record Date. The record date (the "Record Date") for any Interest Payment Date shall be the date (whether or not a Business Day) 15 calendar days immediately preceding such Interest Payment Date. Interest at maturity will be payable to the person to whom the principal is payable.

Notwithstanding the above, in the case of Floating Rate Notes which reset daily or weekly, interest payments shall include accrued interest from, and including, the date of issue or from, but excluding, the last date in respect of which interest has been accrued and paid, as the case may be, through, and including, the Record Date, except that at maturity the interest payable will include interest accrued to, but excluding, the maturity date. For additional special provisions relating to Floating Rate Notes, see the Prospectus Supplement.

Payments of Principal and Interest:

Upon presentment and delivery of the Note, the Trustee will pay the principal amount of each Note at maturity and the final installment of interest in immediately available funds. All interest payments on a Note, other than interest due at maturity, will be made by check drawn on the Trustee and mailed by the Trustee to the person entitled thereto as provided in the Note. However, holders of Notes of like tenor and terms in aggregate principal amount exceeding U.S. $5

million or the equivalent thereof in a Specified Currency shall be entitled to receive payments of interest, other than at maturity, by wire transfer of immediately available funds to an account maintained by such holder with a bank located in the United States for payments in U.S. Dollars or the country of the Specified Currency for other payments, provided that appropriate wire transfer instructions have been received in writing by the Trustee not less than 15 calendar days prior to the applicable Interest Payment Date. Any payment of principal or interest required to be made on an Interest Payment Date or at maturity of a Note which is not a Business Day need not be made on such day, but may be made on the next succeeding Business Day with the same force and effect as if made on the Interest Payment Date or at maturity, as the case may be, and no interest shall accrue for the period from and after such Interest Payment Date or maturity.

The Trustee will provide monthly to the Corporation a list of the principal and interest (and premium, if any) in each currency to be paid on Notes maturing in the next succeeding month. The Trustee will be responsible for withholding taxes on interest paid as required by applicable law.

Notes presented to the Trustee at maturity for payment will be canceled by the Trustee. All canceled Notes held by the Trustee shall be destroyed, and the Trustee shall furnish to the

Corporation a certificate with respect to such destruction.

Settlement Procedures: Settlement Procedures with regard to each Note purchased through any Agent, as agent, shall be as follows:

A. The Presenting Agent will advise the Corporation in writing, by telex or facsimile, or by telephone (with written confirmation on the next Business Day) of the following Settlement information with regard to each Note:

1. Exact name in which the Note is to be registered (the "Registered Owner").

2. Exact address or addresses of the Registered Owner for delivery, notices and payments of principal and interest.

3. Taxpayer identification number of the Registered Owner.

4. Principal amount of the Note.

5. Denomination of the Note.

6.1 Fixed Rate Notes:

(a) interest rate.

6.2 Floating Rate Notes:

(a) base rate;
(b) initial interest rate;
(c) spread or spread multiplier, if any;
(d) interest reset dates;
(e) reset period;

(f) interest payment dates;
(g) index maturity;
(h) calculation agent;
(i) maximum interest rates, if any; and
(j) minimum interest rate, if any.
(k) interest determination dates

6.3 Currency Indexed Notes:

(a) specified currency
(b) indexed currency
(c) face amount
(d) base exchange rate
(e) determination agent
(f) reference dealers
(g) base interest rate, if any

6.4 Commodity Indexed Note:

(a) applicable terms

7. Price to public of the Note (including currency).

8. Settlement Date.

9. Maturity Date.

10. Redemption or repayment provisions, if any.

11. Net proceeds to the Corporation.

12. Agent's commission (to be paid in the form of a discount from the proceeds remitted to the Corporation upon Settlement).

13. If applicable, total amount of original issue discount

("OID"), yield to maturity and initial accrual period OID.

14. Any other provisions.

B. The Corporation shall provide to the Trustee the above Settlement information received from the Agent and shall cause the Trustee to issue, authenticate and deliver the Notes. The Corporation also shall provide to the Trustee and/or Agent a copy of the applicable Pricing Supplement.

C. The Trustee will complete the preprinted 4-ply Note packet containing the following documents in forms approved by the Corporation, the Presenting Agent and the Trustee:

1. Note with Agent's customer confirmation.

2. Stub I - for Trustee.

3. Stub 2 - for Agent.

4. Stub 3 - for the Corporation.

D. With respect to each trade, the Trustee will deliver the Notes and Stub 2 thereof to the Presenting Agent at the following applicable address: Lehman Government Securities, Inc., One Battery Park Plaza, New York, N.Y. 10004, Attention: Peter Marchewka; and Goldman, Sachs & Co., 85 Broad Street, 6th Floor, New York, N.Y. 10004, Attention: Michael Mosely. The Trustee will keep Stub 1. The Presenting Agent will acknowledge receipt of the Note through a broker's receipt and will keep Stub 2. Delivery of the Note will be made only against such

acknowledgment of receipt. Upon determination that the Note has been authorized, delivered and completed as aforementioned, the Presenting Agent will wire in immediately available funds the net proceeds of the Note after deduction of its applicable commission to the Corporation pursuant to standard wire instructions given by the Corporation.

E. The Presenting Agent will deliver the Note (with confirmations), as well as a copy of the Prospectus and any applicable Prospectus Supplement or Supplements received from the Trustee to the purchaser against payment in immediately available funds.

F. The Trustee will send Stub 3 to the Corporation.

Settlement Procedures Timetable: For offers accepted by the Corporation, Settlement Procedures "A" through "G" set forth above shall be completed on or before the respective times set forth below:

Settlement Procedure	Time
A-B	3:00 p.m. on Business Day prior to settlement
C-D	2:15 p.m. on day of settlement
E	3:00 p.m. on day of settlement
F	5:00 p.m. on day of settlement

Failure to Settle:

In the event that a purchaser of a Note from the Corporation shall either fail to accept delivery of or make payment for a Note on the date fixed for settlement, the Presenting Agent will forthwith notify the Trustee and the Corporation by telephone, confirmed in writing, and return the Note to the Trustee.

The Trustee, upon receipt of the Note from the Agent, will immediately advise the Corporation and the Corporation will promptly arrange to credit the account of the Presenting Agent in an amount of immediately available funds equal to the amount previously paid by such Agent in settlement for the Note. Such credits will be made on the settlement date if possible, and in any event not later than the Business Day following the settlement date; provided that the Corporation has received notice on the same day. If such failure shall have occurred for any reason other than failure by such Agent to perform its obligations hereunder or under the Agency Agreement, the Corporation will reimburse such Agent on an equitable basis for its loss of the use of funds during the period when the funds were credited to the account of the Corporation. Immediately upon receipt of the Note in respect of which the failure occurred, the Trustee will cancel and destroy the Note, make appropriate entries in its records to reflect the fact that the Note was never issued, and accordingly notify in writing the Corporation. An Agent will not be entitled to any commission with respect to any Note which the

purchaser does not accept or make payment for.

EXHIBIT C

PURCHASE AGREEMENT

AIR PRODUCTS AND CHEMICALS, INC.
7201 Hamilton Boulevard
Allentown, Pennsylvania 18195

Attention: [Treasurer]

The undersigned agrees to purchase the following principal amount of the Notes described in the Agency Agreement dated [ ] (as it may be supplemented or amended from time to time, the "Agency Agreement") (all capitalized terms used but not defined herein, shall have the meaning specified in the Agency Agreement):

Principal Amount:	[$] _____
Currency:	_____
Interest Rate:	___%
Discount:	___%
Aggregate Price to be paid to Company (in immediately available funds):	___% of principal amount [$] _____
Settlement Date:	_____
Other Terms:	_____

[In the case of Notes issued in a foreign currency or currency unit, unless otherwise specified below, settlement and payments of principal and interest will be in U.S. dollars based on the highest bid quotation in The City of New York received by the Exchange Rate Agent at approximately 11:00 a.m. New York City time, on the second Business Day preceding the applicable payment date from three recognized foreign exchange dealers (one of which may be the Exchange Rate Agent (as defined in the Indenture) for the purchase by the quoting dealer of the Specified Currency payable to all holders of Notes denominated in such Specified Currency electing to receive U.S. dollar payments and at which the applicable dealer commits to execute a contract. If such bid quotations are not available, payments will be made in the Specified Currency.)]

Our obligations to purchase Notes hereunder is subject to the continued accuracy of your representations and warranties contained in the Agency Agreement and to your performance and observance of all applicable covenants and agreements contained therein, including, without limitation,

your obligations pursuant to Section 7 thereof. Our obligation hereunder is subject to the further conditions that we shall receive (a) the opinion required to be delivered pursuant to Sections 5(e) of the Agency Agreement, (b) the certificate required to be delivered pursuant to Section 5(f) of the Agency Agreement, in each case dated as of the above Settlement Date and [Insert other conditions as appropriate].

In further consideration of our agreement hereunder, you agree that between the date hereof and the above Settlement Date, you will not offer or sell, or enter into any agreement to sell, any debt securities of the Corporation[, other than borrowings under your revolving credit agreements and lines of credit, the private placement of securities and issuances of your commercial paper].

We may terminate this Agreement, immediately upon notice to you, at any time prior to the Settlement Date, if any of the conditions specified in Section 5(b) of the Agency Agreement are not satisfied. In the event of such termination, no party shall have any liability to the other party hereto, except as provided in Sections 4, 7 and 14 of the Agency Agreement.

This Agreement shall be governed by and construed in accordance with the laws of New York

LEHMAN BROTHERS INC.

By

(Title)

GOLDMAN, SACHS & CO.

Accepted:

AIR PRODUCTS AND CHEMICALS, INC.

By

(Title)

EXHIBIT D

FOREIGN CURRENCY AMENDMENT NO. _____
TO AGENCY AGREEMENT, DATED [ ]
AS AMENDED

[Insert Title of Foreign Currency]

The undersigned hereby agree that for the purposes of the issue and sale of Notes denominated in [title of currency or currency unit] (the "Applicable Foreign Currency") pursuant to the Agency Agreement, dated [ ], as it may be amended (the "Agency Agreement"), the following additions and modifications shall be made to the Agency Agreement. The additions and modifications adopted hereby shall be of the same effect for the sale under the Agency Agreement of all Notes denominated in the Applicable Foreign Currency, whether offered on an agency or principal basis, but shall be of no effect with respect to Notes denominated in any currency or currency unit other than the Applicable Foreign Currency.

Except as otherwise expressly provided herein, all terms used herein which are defined in the Agency Agreement shall have the same meanings as in the Agency Agreement. The terms Agent or Agents, as used in the Agency Agreement, shall be deemed to refer only to the undersigned Agents for purposes of this Amendment.

[Insert appropriate additions and modifications to the Agency Agreement, for example, to opinions of counsel, conditions to obligations and settlement procedures, etc.]

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AIR PRODUCTS AND CHEMICALS, INC.

By

Name:
Title:

LEHMAN BROTHERS INC.

By

(Title)

GOLDMAN, SACHS & CO.

Exhibit 4(a)

==========

AIR PRODUCTS AND CHEMICALS, INC.

AND

FIRST FIDELITY BANK, NATIONAL ASSOCIATION,
Trustee

INDENTURE

Dated as of January 10, 1995

==========

TIE-SHEET*

of provisions of Trust Indenture Act of 1939 with Indenture dated as of January 10, 1995, between Air Products and Chemicals, Inc., a Delaware corporation, and First Fidelity Bank, National Association, Trustee:

SECTION OF THE ACT	SECTION OF INDENTURE
310 (a)(1),(2) and (5)	6.9
310 (a)(3) and (4)	Not applicable
310 (b)	6.8 and 6.10(b)
310 (c)	Not applicable
311 (a) and (b)	6.13
311 (c)	Not applicable
312 (a)	4.1 and 4.2(a)
312 (b) and (c)	4.2(b) and (c)
313 (a)	4.4
313 (b)(1)	Not applicable
313 (b)(2)	4.4
313 (c)	4.4
313 (d)	4.4
314 (a)(1),(2) and (3)	4.3
314 (a)(4)	3.5
314 (b)	Not applicable
314 (c)(1) and (2)	11.5
314 (c)(3)	Not applicable
314 (d)	Not applicable
314 (e)	11.5
314 (f)	3.5
315 (a), (c) and (d)	6.1
315 (b)	5.11
315 (e)	5.12
316 (a)(1)	5.1 and 5.9
316 (a)(2)	Omitted
316 (a) last sentence	7.4
316 (b)	5.6
317 (a)	5.2
317 (b)	3.4
318 (a)	11.7

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*This tie-sheet is not part of the Indenture as executed.

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CONCERNING THE TRUSTEE

THIS INDENTURE, dated as of January 10, 1995, between AIR PRODUCTS AND CHEMICALS, INC., a Delaware corporation (the "Issuer"), and FIRST FIDELITY BANK, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States (the "Trustee"),

W I T N E S S E T H :

WHEREAS, the Issuer has duly authorized the issue from time to time of its unsecured debentures, notes or other evidences of indebtedness to be issued in one or more series (the "Securities") up to such principal amount or amounts as may from time to time be authorized in accordance with the terms of this Indenture and, to provide, among other things, for the authentication, delivery and administration thereof, the Issuer has duly authorized the execution and delivery of this Indenture; and

WHEREAS, all things necessary to make this Indenture a valid indenture and agreement according to its terms, have been done;

NOW, THEREFORE:

In consideration of the premises and the purchases of the Securities by the holders thereof, the Issuer and the Trustee mutually covenant and agree for the equal and proportionate benefit of the respective holders from time to time of the Securities or of series thereof as follows:

ARTICLE ONE

DEFINITIONS

SECTION 1.1 CERTAIN TERMS DEFINED. The following terms (except as otherwise expressly provided or unless the context otherwise clearly requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective meanings specified in this Section. All other terms used in this Indenture that are defined in the Trust Indenture Act of 1939 or the definitions of which in the Securities Act of 1933 are referred to in the Trust Indenture Act of 1939 (except as herein otherwise expressly provided or unless the context otherwise requires), shall have the meanings assigned to such terms in said Trust Indenture Act and in said Securities Act as in force at the date of this Indenture. All accounting terms used herein and not expressly defined shall have the meanings assigned to such terms in accordance with generally accepted accounting principles, and the term "generally accepted accounting principles" means such accounting principles as are generally accepted at the time of any computation. The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision. The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular.

"Attributable Debt" means, as to any particular lease under which any person is at the time liable, at any date as of which the amount thereof is to be determined, the total net amount of rent required to be paid by such person under such lease during the remaining term thereof, excluding renewals, discounted at the rate of the weighted average Yield to Maturity of the Securities outstanding hereunder (such average being weighted by the principal amount of the Securities of each series outstanding or, in the case of Original Issue Discount Securities, such amount to be determined as provided in the definition of "outstanding") compounded semi-annually. The net amount of rent required to be paid under any such lease for any such period shall be the amount of the rent payable by the lessee with respect to such period, after excluding amounts required to be paid on account of maintenance and repairs, insurance, taxes, assessments, water rates and similar charges and contingent rents such as those based on sales. In the case of any lease which is terminable by the lessee upon the payment of a penalty, such net amount may, if the Issuer so elects also include the amount of such penalty, in which case no rent shall be considered as required to be paid under such lease subsequent to the first date upon which it may be so terminated.

"Board of Directors" means either the Board of Directors of the Issuer or any committee of such Board duly authorized to act hereunder.

"business day" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close in New York, New York or (i) with respect to Securities denominated in a Foreign Currency, in the principal financial center of the country of the Foreign Currency as specified in the Board Resolution pursuant to Section 2.3, (ii) with respect to Securities denominated in ECUs, in Brussels, Belgium or (iii) with respect to Securities which will bear interest based on a specified percentage of London Interbank offered quotations ("LIBOR"), in London, England.

"Commission" means the Securities and Exchange Commission, as from time to time constituted, created under the Securities Exchange Act of 1934, or if at any time after the execution and delivery of this Indenture such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act of 1939, then the body performing such duties on said date.

"Company Order" means a written request or order signed in the name of the Issuer by its chairman of the Board of Directors, any vice chairman of the Board of Directors, its president or any vice president, and by its treasurer, an assistant treasurer, its corporate secretary or an assistant corporate secretary, and delivered to the Trustee.

"Components" means, with respect to a composite currency (including but not limited to the ECU), the currency amounts that are components of such composite currency on the Conversion Date with respect to such composite currency. If the official unit of any component currency is altered by way of combination or subdivision, the amount of such currency in the Component shall be proportionately divided or multiplied. If two or more component currencies are consolidated into a single currency, the amounts of those currencies as Components shall be replaced by an amount in such single currency equal to the sum of the amounts of such consolidated component currencies expressed in such single currency, and such amount shall thereafter be a Component. If after such Conversion Date any component currency shall be divided into two or more currencies, the amount of such currency as a Component shall be replaced by amounts of such two or more currencies, each of which shall be equal to the amount of such former component currency divided by the number of currencies into which such component currency was divided, and such amounts shall thereafter be Components.

"Consolidated Current Liabilities" means the aggregate of the current liabilities of the Company and its consolidated Subsidiaries appearing on a consolidated balance sheet of the Company and its consolidated Subsidiaries, all as determined in accordance with generally accepted accounting principles.

"Consolidated Net Tangible Assets" means the total of all assets appearing on a consolidated balance sheet of the Company and its consolidated Subsidiaries, prepared in accordance with generally accepted accounting principles, at their net book values (after deducting related depreciation, depletion, amortization and all other valuation reserves which, in accordance with such principles, are set aside in connection with the business conducted), but excluding goodwill, trademarks, patents, unamortized debt discount and all other like segregated intangible assets, and amounts on the asset side of such balance sheet for capital stock of the Company, all as determined in accordance with such principles, less Consolidated Current Liabilities.

"Conversion Date," with respect to a composite currency (including but not limited to the ECU), has the meaning specified in Section 2.13.

"Corporate Trust Office" means the principal office of the Trustee, in the City of Philadelphia, Commonwealth of Pennsylvania, at which at any particular time its corporate trust business shall be administered, except that with respect to presentation of Securities for payment or for registration of transfer and exchange, and the location of the register, such term shall mean the office or agency of the Trustee in New York, New York at which, at any particular time, its corporate agency business shall be conducted.

"Depositary" means, with respect to the Securities of any series issuable or issued, in whole or in part, in the form of one or more Global Securities, the person designated as Depositary by the Issuer pursuant to Section 2.3(15) until a successor replaces it pursuant to the provisions hereof, and thereafter means each person who is then a Depositary hereunder, and if at any time there is more than one such person, "Depositary" as used with respect to the Securities of any series or part thereof shall mean the Depositary with respect to the Securities of that series or part thereof.

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

"ECU" means the European Currency Unit as defined and revised from time to time by the Council of the European Communities.

"European Communities" means the European Economic Community, the European Coal and Steel Community and the European Atomic Energy Community.

"Event of Default" means any event or condition specified as such in Section 5.1 which shall have continued for the period of time, if any, therein designated.

"Exchange Rate" means (a) with respect to Dollars in which payment is to be made on a series of Securities denominated in a composite currency unit, the exchange rate between Dollars and such composite currency unit reported by the agency or organization, if any, responsible for overseeing such composite currency unit or by the Council of the European Communities (in the case of ECU, whose reports are currently based on the rates in effect at 2:30 p.m., Brussels time, on the relevant exchange markets), as appropriate, on the applicable record date with respect to an interest payment date or the fifteenth day immediately preceding the maturity of an installment of principal, or on such other date provided herein, as the case may be; (b) with respect to Dollars in which payment is to be made on a series of Securities denominated in a Foreign Currency, other than a composite currency unit, the noon Dollar buying rate for that currency for cable transfers quoted by the Exchange Rate Agent in The City of New York on the record date with respect to an interest payment date or the fifteenth day immediately preceding the maturity of an installment of principal, or on such other date provided therefore, as the case may be, as certified for customs purposes by the Federal Reserve Bank of New York and (c) with respect to Foreign Currency in which payment is to be made on a series of Securities converted into Dollars pursuant to Section 2.13(d)(i), the noon Dollar selling rate for that currency for cable transfers quoted by the Exchange Rate Agent in The City of New York on the record date with respect to an interest payment date or the fifteenth day immediately preceding the maturity of an instalment of principal or on such other date provided herein, as the case may be, as certified for customs purposes by the Federal Reserve Bank of New York. If for any reason such rates are not available with respect to one or more currencies for which an Exchange Rate is required, the Company shall use such quotation of the Federal Reserve Bank of New York as of the most recent available date, or quotations from one or more commercial banks in The City of New York or in the country of issue of the currency in question, or such other quotations as the Company, in each case, shall deem appropriate. If there is more than one market for dealing in any currency by reason of foreign exchange regulations or otherwise, the market to be used in respect of such currency shall be the largest market upon which a nonresident issuer of securities designated in such currency would purchase such currency in order to make payments in respect of such securities.

"Exchange Rate Agent" means the New York clearing house bank designated by the issuer to act as such for any series of Securities, or any successor thereto.

"Exchange Rate Officer's Certificate" means, with respect to any date for the payment of principal of (and premium, if any) and interest on any series of Securities, a certificate setting forth the applicable Exchange Rate as of the record date with respect to an interest payment date or the fifteenth day immediately preceding the maturity of an installment of principal or such other date as provided herein, as the case may be, and the amounts payable in Dollars in respect of the principal of (and premium, if any) and interest on Securities denominated in ECU, any other composite currency or Foreign Currency, and signed by the chairman of the Board of Directors or any vice chairman of the Board of Directors or the president or any vice president or the treasurer or any assistant treasurer or secretary or assistant secretary of the Issuer and delivered to the Trustee.

"Foreign Currency" means a currency issued by the government of any country other than the United States of America or a composite currency based on the aggregate value of currencies of any group of countries.

"Foreign Government Securities" means, with respect to Securities of any series that are denominated in a Foreign Currency, Securities that are (i) direct obligations of the government that issued or caused to be issued such currency for the payment of which obligations its full faith and credit is pledged or (ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of such government the timely payment of such is unconditionally guaranteed as a full faith and credit obligation by such government, which, in either case under clauses (i) or (ii), are not callable or redeemable at the option of the issuer thereof.

"Global Security" means a Security issued to evidence all or a part of any series of Securities, registered in the name of, and issued to, the Depositary for such series or part thereof or such Depositary's nominee and representing the amount of uncertificated Securities of such series specified thereon.

"holder," "holder of Securities," "Securityholder" or other similar terms means the registered holder of any Security.

"Indenture" means this instrument as originally executed and delivered or, if amended or supplemented as herein provided, as so amended or supplemented, or both, and shall include the forms and terms of particular series of Securities established as contemplated hereunder and the provisions of the Trust Indenture Act of 1939 that are deemed to be part of and to govern this instrument and any supplement thereto.

"Interest" means, when used with respect to non-interest bearing Securities, interest payable after maturity.

"Issuer" or "Company" means (except as otherwise provided in Article Six) AIR PRODUCTS AND CHEMICALS, INC., a Delaware corporation, and, subject to Article Eleven, its successors and assigns.

"Officers' Certificate" means a certificate signed by the chairman of the Board of Directors or any vice chairman of the Board of Directors or the president or any vice president and by the treasurer or any assistant treasurer or the secretary or any assistant secretary of the Issuer and delivered to the Trustee. Each such certificate shall include the statements provided for in Section 11.5, if and to the extent required hereby.

"Opinion of Counsel" means an opinion in writing signed by legal counsel who may be an employee of or counsel to the Issuer or who may be other counsel. Each such opinion shall include the statements provided for in Section 11.5, if and to the extent required hereby.

"original issue date" of any Security (or portion thereof) means the earlier of (a) the date of such Security or (b) the date of any Security (or portion thereof) for which such Security was issued (directly or indirectly) on registration of transfer, exchange or substitution.

"Original Issue Discount Security" means any Security that provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the maturity thereof pursuant to Section 5.1.

"outstanding" (except as otherwise provided in Section 6.8), when used with reference to Securities, shall, subject to the provisions of Section 7.4, mean, as of any particular time, all Securities authenticated and delivered by the Trustee under this Indenture, except

(a) Securities theretofor canceled by the Trustee or delivered to the Trustee for cancellation;

(b) Securities, or portions thereof, for the payment or redemption of which moneys in the necessary amount shall have been deposited in trust with the Trustee or with any paying agent (other than the Issuer) or shall have been set aside, segregated and held in trust by the Issuer for the holders of such securities (if the Issuer shall act as its own paying agent), provided that if such Securities are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as herein provided, or provision satisfactory to the Trustee shall have been made for giving such notice; and

(c) Securities in substitution for which other Securities shall have been authenticated and delivered, or which shall have been paid, pursuant to the terms of Section 2.9 (except with respect to any such Security as to which proof satisfactory to the Trustee is presented that such Security is held by a person in whose hands such Security is a legal, valid and binding obligation of the Issuer).

In determining whether the holders of the requisite principal amount of outstanding Securities of any or all series have given any request, demand, authorization, direction, notice, consent or waiver hereunder, (i) the principal amount of an Original Issue Discount Security that shall be deemed to be outstanding for such purposes shall be the amount of the principal thereof that would be due and payable as of the date of such determination upon a declaration of acceleration of the maturity thereof pursuant to Section 5.1. and (ii) the principal amount of a Security denominated in a Foreign Currency or currency unit shall be the Dollar equivalent (as determined by the Company in good faith) as of the date of original issuance of such Security, of the principal amount (or, in the case of an Original Issue Discount Security, the Dollar equivalent (as determined by the Company in good faith) of the amount determined as provided in (i) above) of such Security.

"Periodic Offering" means an offering of Securities of a series from time to time, the specific terms of which Securities, including without limitation the rate or rates of interest, if any, thereon, the stated maturity or maturities thereof and the redemption provisions, if any, with respect thereto, are to be determined by the Issuer or its agents upon the issuance of such Securities.

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

"principal," whenever used with reference to the Securities or any Security or any portion thereof, shall be deemed to include "and premium, if any."

"Principal Property" means any manufacturing plant, research facility or warehouse owned or leased by the Issuer or any Subsidiary which is located within the United States of America and has a net book value exceeding the greater of $5,000,000 and 1% of the shareholders' equity of the Issuer and its consolidated Subsidiaries, as shown on the audited consolidated statement of financial condition contained in the latest annual report to shareholders of the Issuer; provided, however, that the term "Principal Property" shall not include any such plant, facility or warehouse or portion thereof which the Board of Directors by resolution declares is not of material importance to the total business conducted by the Company and its Subsidiaries as an entirety.

"responsible officer" means, when used with respect to the Trustee, any officer, any trust officer, or any assistant trust officer of the Trustee located at the Corporate Trust Office customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of his knowledge of and familiarity with the particular subject.

"Restricted Subsidiary" means 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.

"Security" or "Securities" (except as otherwise provided in Section 6.8) has the meaning stated in the first recital of this Indenture, or, as the case may be, Securities that have been authenticated and delivered under this Indenture.

"Specified Currency" means the currency in which the Securities of any series are payable, in accordance with their terms or pursuant to an election made by one or more Securityholders pursuant to Section 2.3 or Section 2.13.

"Subsidiary" means any corporation of which at least a majority of all outstanding stock (having by the terms thereof ordinary voting power in the election of directors of such corporation, irrespective of whether or not at the time stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is, at the time, owned by the Company or by one or more Subsidiaries of the Company.

"Tranche" means a group of Securities which (a) are of the same series and (b) have identical terms except as to principal amount and date of issuance.

"Trustee" means the person identified as "Trustee" in the first paragraph hereof and, subject to the provisions of Article Six, shall also include any successor trustee.

"Trust Indenture Act of 1939" means the Trust Indenture Act of 1939, as amended and in force at the date as of which this Indenture was originally executed; provided, however, that in the event the Trust Indenture Act of 1939 is amended after such date, "Trust Indenture Act of 1939" means, to the extent required by any such amendment, the Trust Indenture Act of 1939, as so amended.

"U.S. Government Obligations" means non-callable securities which are either (i) direct obligations of the United States of America for the payment of which its full faith and credit is pledged, (ii) obligations of a person controlled or supervised by and acting as an agency or instrumentality of the United States of America, the timely payment of which are unconditionally guaranteed by the full faith and credit of the United States of America, (iii) depositary receipts issued by a bank or trust company (having a combined capital and surplus in excess of $25,000,000) as custodian with respect to any U.S. Government Obligations or any specific payment of interest or principal due on any U.S. Government Obligations held by such custodian for the account of the holder of the depositary receipts provided that, except as required by law, no deduction may be made by the custodian from the amount payable to the holder of such depositary receipts from the amount received by the custodian in respect of the U.S. Government Obligations or the specific payments of interest or principal due thereon evidenced by such depositary receipts, or (iv) any combination of the foregoing U.S. Government Obligations (including any securities described in clause (i) or (ii) issued or held in book-entry form on the books of the Federal Reserve Bank of New York).

"vice president" when used with respect to the Issuer or the Trustee, means any vice president, whether or not designated by a number or a word or words added before or after the title of "vice president."

"Yield to Maturity" means the yield to maturity on a series of securities, calculated at the time of issuance of such series, or, if applicable, at the most recent redetermination of interest on such series, and calculated in accordance with accepted financial practice.

ARTICLE TWO

SECURITIES

SECTION 2.1 FORMS GENERALLY. The Securities of each series shall be in the form (not inconsistent with this Indenture) as shall be established by or pursuant to a resolution of the Board of Directors or in one or more indentures supplemental hereto, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture and may have imprinted or otherwise reproduced thereon such legend or legends, not inconsistent with the provisions of this Indenture, as may be required to comply with any law or with any rules or regulations pursuant thereto, or with any rules of any securities exchange or to conform to general usage or as may, consistently herewith, be determined by the officers executing such Securities, as evidenced by their execution of such Securities.

The definitive Securities shall be printed, lithographed or engraved on steel engraved borders or may be produced in any other manner, all as determined by the officers executing such Securities, as evidenced by their execution of such Securities.

SECTION 2.2 FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION. The Trustee's certificate of authentication on all Securities shall be in substantially the following form:

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

First Fidelity Bank,
National Association,
as Trustee

By

Authorized Officer

SECTION 2.3 AMOUNT UNLIMITED; ISSUABLE IN SERIES. The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited.

The Securities may be issued in one or more series. There shall be established in or pursuant to a resolution of the Board of Directors and set forth in an Officers' Certificate, or established in one or more indentures supplemental hereto, prior to the issuance of Securities of any series,

(1) the title of the Securities of the series (which shall distinguish the Securities of the series from all other Securities);

(2) any limit upon the aggregate principal amount of the Securities of the series that may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of the series pursuant to Sections 2.8, 2.9, 2.11 or 12.3);

(3) the date or dates on which the principal of the Securities of the series is payable;

(4) the rate or rates or the method by which such rate or rates are determined at which the Securities of the series, or any Tranche thereof, shall bear interest, if any, the date or dates from which such interest shall accrue, the interest payment dates on which such interest shall be payable and the record dates for the determination of holders to whom interest is payable;

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(5) the place or places where the principal and any interest on Securities of the series, or any Tranche thereof, shall be payable;

(6) the price or prices at which, the period or periods within which and the terms and conditions upon which Securities of the series, or any Tranche thereof, may be redeemed, in whole or in part, at the option of the Issuer, pursuant to any sinking fund, defeasance or otherwise;

(7) the obligation, if any, of the Issuer to redeem, purchase or repay Securities of the series, or any Tranche thereof, pursuant to any sinking fund or analogous provisions or at the option of a holder thereof and the price or prices at which and the period or periods within which and the terms and conditions upon which Securities of the series, or any Tranche thereof, shall be redeemed, purchased or repaid, in whole or in part, pursuant to such obligation;

(8) if other than denominations of $1,000 and any multiple thereof for Securities denominated in Dollars, the denominations in which Securities of the series, or any Tranche thereof, shall be issuable;

(9) if other than the principal amount thereof, the portion of the principal amount of Securities of the series, or any Tranche thereof, which shall be payable upon declaration of acceleration of the maturity thereof pursuant to Section 5.1 or provable in bankruptcy pursuant to Section 5.2;

(10) any Events of Default with respect to the Securities of the series, if not set forth herein;

(11) the forms of the Securities of the series;

(12) if other than Dollars, the coin or currency or currencies, or currency unit or units, in which payment of the principal of (and premium, if any) and interest, if any, on any of the Securities of the series, or any Tranche thereof, shall be payable and the Exchange Rate Agent, if any, for such series;

(13) if the principal of (and premium, if any) or interest, if any, on any of the Securities of the series, or any Tranche thereof, are to be payable at the election of the Issuer or a holder thereof, or under some or all other circumstances, in a coin or currency or currencies, or currency unit or units, other than that in which the Securities are denominated, the period or periods within which, and the terms and conditions upon which, such election may be made, or the other circumstances under which any of the Securities are to be so payable, and any provision requiring the holder to bear currency exchange costs by deduction from such payments;

(14) if the amount of payments of principal (and premium, if any) or interest, if any, on any of the Securities of the series, or any Tranche thereof, may be determined with reference to an index based on (i) a coin or currency or currencies, or currency unit or units, other than that in which such Securities are stated to be payable, or a commodity or commodities or (ii) any method not inconsistent with the provisions of this Indenture specified in or pursuant to such resolution of the Board of Directors, then in each case (i) and (ii), the manner in which such amounts shall be determined;

(15) whether the Securities shall be issued, in whole or in part, in the form of one or more Global Securities and, in such case, (a) the Depositary therefor and (b) the terms and conditions, if any, upon which any such Global Security may be exchanged in whole or in part for definitive Securities represented thereby, other than as set forth in Section 2.14 hereof;

(16) any other terms of the Securities of the series, or any Tranche thereof (which terms shall not be inconsistent with the provisions of this Indenture); and

(17) any trustees, authenticating or paying agents, warrant agents, transfer agents or registrars with respect to the Securities of the series.

All Securities of any one series shall be substantially identical except as to denomination and except as may otherwise be provided in or pursuant to such resolution of the Board of Directors or in any such indenture supplemental hereto. With respect to Securities of a series subject to a Periodic Offering, general terms or parameters for Securities of such series may be stated, providing either that the specific terms of particular Securities of such series shall be specified in a Company Order or that such terms shall be determined by the Issuer or its agents in accordance with a Company Order as contemplated by the last paragraph of Section 2.4.

SECTION 2.4 AUTHENTICATION AND DELIVERY OF SECURITIES. At any time and from time to time after the execution and delivery of this Indenture, the Issuer may deliver Securities of any series executed by the Issuer to the Trustee for authentication, and the Trustee shall thereupon authenticate and deliver said Securities to or upon a Company Order without any further action by the Issuer; provided that, with respect to Securities of a series subject to a Periodic Offering (a) such Company Order may be delivered by the Issuer to the Trustee prior to the delivery to the Trustee of such Securities for authentication and delivery, (b) the Trustee shall authenticate and deliver Securities of such series for original issue from time to time, in an aggregate principal amount not exceeding the aggregate principal amount established for such series, pursuant to a Company Order or pursuant to such procedures acceptable to the Trustee as may be specified from time to time by a Company Order, (c) the maturity date or dates, original issue date or dates, interest rate or rates and any other terms of Securities of such series shall be determined by Company Order or pursuant to such procedures and (d) if provided for in such procedures, such Company Order may authorize authentication and delivery pursuant to oral or electronic instructions from the Issuer or its duly authorized agent or agents, which oral instructions shall be promptly confirmed in writing. In authenticating such Securities and accepting the additional responsibilities under this Indenture in relation to such Securities the Trustee shall be entitled to receive, and (subject to Section 6.1) shall be fully protected in relying upon:

(1) certified copies of the Articles of Incorporation and By-Laws of the Company (or an Officers' Certificate with respect to any amendments thereto) and of any resolution or resolutions of the Board of Directors authorizing the action taken pursuant to the resolution or resolutions delivered under clause (2) below;

(2) a copy of any resolution or resolutions of the Board of Directors relating to such series, in each case certified by the Secretary or an Assistant Secretary of the Issuer;

(3) an executed supplemental indenture, if any;

(4) an Officers' Certificate setting forth (i) the form and terms of the Securities as required pursuant to Sections 2.1 and 2.3, respectively and (ii) the Yield to Maturity of the Securities;

(5) an Opinion of Counsel prepared in accordance with Section 11.5 which shall also state

(a) that the form or forms and terms of such Securities have been established by or pursuant to a resolution of the Board of Directors or by a supplemental indenture as permitted by Sections 2.1 and 2.3 in conformity with the provisions of this Indenture;

(b) that such Securities, when authenticated and delivered by the Trustee and issued by the Issuer in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute valid and binding obligations of the Issuer;

(c) that all laws, requirements and consents in respect of the execution and delivery by the Issuer of such Securities have been complied with; and

(d) such other matters as the Trustee may reasonably request;

provided, however, that, with respect to Securities of a series subject to a Periodic Offering, the Trustee shall be entitled to receive such Opinion of Counsel only once at or prior to the time of the first authentication of Securities of such series and that the opinions described in clauses (a) and (b) above may state, respectively,

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

(y) that such Securities when (1) executed by the Company, (2) completed, authenticated and delivered by the Trustee in accordance with this Indenture, (3) issued and delivered by the Issuer and (4) paid for, all as contemplated by and in accordance with the aforesaid Company Order or specified procedures, as the case may be, will have been duly issued under this Indenture and will constitute valid and legally binding obligations of the Issuer, entitled to the benefits provided by the Indenture, and enforceable in accordance with their terms, subject, as to enforcement, to laws and principles of equity relating to or affecting generally the enforcement of creditors' rights, including without limitation bankruptcy and insolvency laws.

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

The Trustee shall have the right to decline to authenticate and deliver any Securities under this Section if the Trustee, being advised by counsel, determines that such action may not lawfully be taken or if the Trustee in good faith by its board of directors or board of trustees, executive committee, or a trust committee of directors or trustees and/or vice presidents shall determine that such action would expose the Trustee to personal liability to existing holders.

Notwithstanding the provisions of Section 2.3 and of the preceding paragraph, if all Securities of a series are not to be originally issued at one time, it shall not be necessary to deliver the Officers' Certificate otherwise required pursuant to Section 2.3 or clause (4) of the first paragraph of this Section or the Company Order and Opinion of Counsel otherwise required pursuant to this Section at or prior to the time of authentication of each Security of such series if such documents are delivered at or prior to the authentication upon original issuance of the first Security of such series to be issued. If the resolution of the Board of Directors or supplemental indenture establishing such Securities shall so permit, such Company Order may set forth procedures acceptable to the

Trustee for the issuance of such Securities, including procedures to determine the interest rate or rates, stated maturity or maturities, date or dates of issuance and other terms of such Securities, and such Company Order or procedures may authorize authentication and delivery of Securities pursuant to oral instructions from the Issuer or its authorized agent, which instructions shall be promptly confirmed in writing.

SECTION 2.5 EXECUTION OF SECURITIES. The Securities shall be signed on behalf of the Issuer by both (a) its chairman of the Board of Directors or any vice chairman of the Board of Directors or its president or any vice president and (b) by its treasurer or any assistant treasurer or its secretary or any assistant secretary, under its corporate seal which may, but need not, be attested. Such signatures may be the manual or facsimile signatures of the present or any future such officers. The seal of the Issuer may be in the form of a facsimile thereof and may be impressed, affixed, imprinted or otherwise reproduced on the Securities. Typographical and other minor errors or defects in any such reproduction of the seal or any such signature shall not affect the validity or enforceability of any Security that has been duly authenticated and delivered by the Trustee.

In case any officer of the Issuer who shall have signed any of the Securities shall cease to be such officer before the Security so signed shall be authenticated and delivered by the Trustee or disposed of by the Issuer, such Security nevertheless may be authenticated and delivered or disposed of as though the person who signed such Security had not ceased to be such officer of the Issuer; and any Security may be signed on behalf of the Issuer by such persons as, at the actual date of the execution of such Security, shall be the proper officers of the Issuer, although at the date of the execution and delivery of this Indenture any such person was not such officer.

SECTION 2.6 CERTIFICATE OF AUTHENTICATION. Only such Securities as shall bear thereon a certificate of authentication substantially in the form hereinbefore recited, executed by the Trustee by manual signature of one of its authorized officers, shall be entitled to the benefits of this Indenture or be valid or obligatory for any purpose. Such certificate by the Trustee upon any Security executed by the Issuer shall be conclusive evidence that the Security so authenticated has been duly authenticated and delivered hereunder and that the holder is entitled to the benefits of this Indenture.

SECTION 2.7 DENOMINATION AND DATE OF SECURITIES; PAYMENTS OF INTEREST. The Securities of each series shall be issuable as registered securities without coupons and in such denominations as shall be specified as contemplated by Section 2.3. In the absence of any such specification with respect to the Securities of any series, the Securities of such series shall be issuable in denominations of $1,000 and any multiple thereof. The Securities of each series shall be numbered, lettered, or otherwise distinguished in such manner or in accordance with such plans as the officers of the Issuer executing the same may determine with the approval of the Trustee as evidenced by the execution and authentication thereof.

Each Security shall be dated the date of its authentication. The Securities of each series shall bear interest, if any, from the applicable date and shall be payable on such dates, in each case, as shall be specified on the face of the form of security.

The person in whose name any Security of any series is registered at the close of business on any record date applicable to a particular series with respect to any interest payment date for such series shall be entitled to receive the interest, if any, payable on such interest payment date notwithstanding any transfer or exchange of such Security subsequent to the record date and prior to such interest payment date, except if and to the extent the Issuer shall default in the payment of the interest due on such interest payment date for such series, in which case such defaulted interest shall be paid to the persons in whose names outstanding Securities of such series are registered at the close of business on a subsequent record date (which shall be not less than five business days prior to the date of payment of such defaulted interest) established by notice given by mail by or on behalf of the Issuer to the holders of Securities not less than 15 days preceding such subsequent record date.

SECTION 2.8 REGISTRATION, TRANSFER AND EXCHANGE. The Issuer will keep at each office or agency to be maintained for the purpose as provided in Section 3.2 a register or registers for each series of

Securities issued hereunder in which, subject to such reasonable regulations as it may prescribe, it will register, and will register the transfer of, Securities of such series as in this Article provided. Such register shall be in written form in the English language or in any other form capable of being converted into such form within a reasonable time. At all reasonable times such register or registers shall be open for inspection by the Trustee.

Upon due presentation for registration of transfer of any Security of any series at any such office or agency to be maintained for the purpose as provided in Section 3.2, the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Security or Securities of the same series in authorized denominations for a like aggregate principal amount and tenor, having the same terms and conditions.

Any Security or Securities of any series may be exchanged for a Security or Securities of the same series in other authorized denominations, in an equal aggregate principal amount and of like tenor, having the same terms and conditions. Securities of any series to be exchanged shall be surrendered at any office or agency to be maintained by the Issuer for the purpose as provided in Section 3.2, and the Issuer shall execute and the Trustee shall authenticate and deliver in exchange therefor the Security or Securities of the same series which the Securityholder making the exchange shall be entitled to receive and of like tenor, having the same terms and conditions, bearing numbers not contemporaneously outstanding.

All Securities presented for registration of transfer, exchange, redemption or payment shall (if so required by the Issuer or the Trustee) be duly endorsed by, or be accompanied by a written instrument or instruments of transfer in form satisfactory to the Issuer and the Trustee duly executed by, the holder or his attorney duly authorized in writing.

The Issuer may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any exchange or registration of transfer of Securities. No service charge shall be made for any such transaction.

The Issuer shall not be required to exchange or register a transfer of (a) any Securities of any series for a period of 15 days next preceding the first mailing of notice of redemption of Securities of such series to be redeemed, or (b) any Securities selected, called or being called for redemption except, in the case of any Security where public notice has been given that such Security is to be redeemed in part, the portion thereof not so to be redeemed after the redemption date.

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

SECTION 2.9 MUTILATED, DEFACED, DESTROYED, LOST AND STOLEN SECURITIES. In case any temporary or definitive Security of any series shall become mutilated, defaced or be destroyed, lost or stolen, the Issuer in its discretion may execute, and upon the written request of any officer of the Issuer, the Trustee shall authenticate and deliver, a new Security of the same series and of like tenor, having the same terms and conditions, bearing a number not contemporaneously outstanding, in exchange and substitution for the mutilated or defaced Security, or in lieu of and substitution for the Security so destroyed, lost or stolen. In every case the applicant for a substitute Security shall furnish to the Issuer and to the Trustee and any agent of the Issuer or the Trustee such security or indemnity as may be required by them to indemnify and defend and to save each of them harmless and, in every case of destruction, loss or theft, evidence to their satisfaction of the destruction, loss or theft of such Security and of the ownership thereof.

Upon the issuance of any substitute Security, the Issuer may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith. In case any Security which has matured or is about to mature or has been called for redemption in full shall become mutilated or defaced or be destroyed, lost or stolen, the Issuer may instead of issuing a substitute Security, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated or defaced Security), if the applicant for such payment shall furnish to the Issuer and to the Trustee and any agent of the Issuer or the Trustee such security or indemnity as any of them may require to save each of them harmless, and, in every case of destruction, loss or theft, the applicant shall also furnish to the Issuer and the Trustee and any agent of the Issuer or the Trustee evidence to their satisfaction of the destruction, loss or theft of such Security and of the ownership thereof.

Every substitute Security of any series issued pursuant to the provisions of this Section by virtue of the fact that any Security is destroyed, lost or stolen shall constitute an additional contractual obligation of the Issuer, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone and shall be entitled to all the benefits of (but shall be subject to all the limitations of rights set forth in) this Indenture equally and proportionately with any and all other Securities of such series duly authenticated and delivered hereunder. All Securities shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, defaced or destroyed, lost or stolen Securities and shall preclude any and all other rights or remedies notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

SECTION 2.10 CANCELATION OF SECURITIES; DESTRUCTION THEREOF. All Securities surrendered for payment, redemption, registration of transfer or exchange, if surrendered to the Issuer or any agent of the Issuer or the Trustee, shall be delivered to the Trustee for cancelation or, if surrendered to the Trustee, shall be canceled by it; and no Securities shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Indenture. The Trustee shall destroy canceled Securities held by it and deliver a certificate of destruction to the Issuer. If the Issuer shall acquire any of the Securities, such acquisition shall not operate as a redemption or satisfaction of the indebtedness represented by such Securities unless and until the same are delivered to the Trustee for cancellation.

SECTION 2.11 TEMPORARY SECURITIES. Pending the preparation of definitive Securities of any series, the Issuer may execute and the Trustee shall authenticate and deliver temporary Securities of such series (printed, lithographed, typewritten or otherwise reproduced, in each case in form satisfactory to the Trustee). Temporary Securities of any series shall be issuable as registered Securities without coupons, of any authorized denomination, and substantially in the form of the definitive Securities of such series but with such omissions, insertions and variations as may be appropriate for temporary Securities, all as may be determined by the Issuer with the concurrence of the Trustee. Temporary Securities may contain such reference to any provisions of this Indenture as may be appropriate. Every temporary Security shall be executed by the Issuer and be authenticated by the Trustee upon the same conditions and in substantially the same manner, and with like effect, as the definitive Securities. Without unreasonable delay the Issuer shall execute and shall furnish definitive Securities of such series, unless the Securities of a series are to be issued as Global Securities pursuant to Section 2.14, and thereupon temporary Securities of such series may be surrendered in exchange therefor without charge at each office or agency to be maintained by the Issuer for that purpose pursuant to Section 3.2, and the Trustee shall authenticate and deliver in exchange for such temporary Securities of such series a like aggregate principal amount of definitive Securities of the same series of authorized denominations. Until so exchanged, the temporary Securities of any series shall be entitled to the same benefits under this Indenture as definitive Securities of such series.

SECTION 2.12 COMPUTATION OF INTEREST. Except as otherwise contemplated by Section 2.3 for Securities of any series, interest on the Securities of each series shall be computed on the basis of a 360-day year of twelve 30-day months.

SECTION 2.13. PAYMENT IN CURRENCIES.

(a) Payment of the principal of (and premium, if any) and interest on the Securities of any series shall be made in the currency or currencies or units specified pursuant to Section 2.3(12); provided that in the case of Securities of a series denominated in Foreign Currencies the holder of a Security of such series may elect to receive such payment in Dollars if authorized pursuant to Section 2.3(13).

A holder may make such election by delivering to the Trustee a written notice thereof, substantially in the form set forth in Section 2.13(f), or in such other form as may be acceptable to the Trustee, not later than the close of business on the record date immediately preceding the applicable payment date. Such election shall remain in effect with respect to such holder until such holder delivers to the Trustee a written notice rescinding such election, provided that any such notice must be delivered to the Trustee not later than the close of business on the record date immediately preceding the next interest payment date or the fifteenth day preceding the maturity of an installment of principal, as the case may be, in order to be effective for the payment to be made thereon; and provided further that no such rescission may be made with respect to payments to be made on any Security with respect to which notice of redemption has been given by the Issuer pursuant to Article Twelve. Upon request, the Trustee will mail a copy of the form of notice as set forth in Section 2.13(f) to any holder requesting a copy thereof to the address of such holder set forth in such request.

(b) If at least one holder has made the election referred to in subsection (a) above to receive payments in Dollars on a series of Securities denominated in one or more Foreign Currencies, then the Trustee shall deliver to the Issuer, not later than the fourth business day after the record date with respect to an interest payment date or the 10th day immediately preceding the maturity of an installment of principal, as the case may be, a written notice specifying the amount of principal of (and premium, if any) and interest on such series of Securities to be paid in Dollars on such payment date.

(c) Except as otherwise specified as contemplated by Section 2.3 of the Indenture, if at least one holder has made the election referred to in subsection (a) above to receive payments in Dollars on a series of Securities denominated in one or more Foreign Currencies, then the amount receivable by holders of a series of Securities who have elected payment in Dollars shall be determined by the Issuer on the basis of the applicable Exchange Rate set forth in the applicable Exchange Rate Officer's Certificate. The Issuer shall deliver, not later than the eighth day following each record date or the sixth day immediately preceding the maturity of an installment of principal, as the case may be, to the Trustee an Exchange Rate Officer's Certificate in respect of the payments to be made to such holders on such payment date.

(d)(i) If the Foreign Currency in which a series of Securities is denominated is not available to the Issuer for making payment thereof due to the imposition of exchange controls or other circumstances beyond the control of the Issuer, then with respect to each date for the payment of principal of (and premium, if any) and interest on such series of Securities occurring after the final date on which the Foreign Currency was so used, all payments with respect to the Securities of any such series shall be made in Dollars. If payment is to be made in Dollars to the holders of any such series of Securities pursuant to the provisions of the preceding sentence, then the amount to be paid in Dollars on a payment date by the Issuer to the Trustee and by the Trustee or any paying agent to holders shall be determined by an Exchange Rate Agent and shall be

equal to the sum obtained by converting the specified Foreign Currency into Dollars at the Exchange Rate on the second business day preceding such interest payment date or the second business day preceding the maturity of an installment of principal, as the case may be, or if no rate is quoted for such Foreign Currency, the last date such rate is quoted.

(ii) If the ECU ceased to be used both within the European Monetary System and for the settlement of transactions by public institutions of or within the European Communities or is not available due to circumstances beyond the control of the Issuer, or if any other composite currency in which a Security is denominated or payable ceases to be used for the purposes for which it was established or is not available due to circumstances beyond the control of the Issuer, then with respect to each date for the payment of principal of (and premium, if any) and interest on a series of Securities denominated in ECU or such other composite currency, as appropriate (the "Conversion Date"), occurring after the last date on which the ECU or such other composite currency was so used, all payments with respect to the Securities of any such series shall be made in Dollars.

If payment with respect to Securities of a series denominated in ECU or any other composite currency is to be made in Dollars pursuant to the provisions of the preceding paragraph, then the amount to be paid in Dollars on a payment date by the Issuer to the Trustee and by the Trustee or any paying agent to holders shall be determined by an Exchange Rate Agent and shall be equal to the sum of the amounts obtained by converting each Component of such composite currency into Dollars at its respective Exchange Rate on the second business day preceding such interest payment date or on the second business day preceding the maturity of an installment of principal, as the case may be, multiplied by the number of ECU or units of such other composite currency, as appropriate, that would have been so paid had the ECU or such other composite currency, as appropriate, not ceased to be so used.

(e) All decisions and determinations of an Exchange Rate Agent regarding the Exchange Rate or conversion of Foreign Currency into Dollars pursuant to subsection (d)(i) above or the conversion of ECU or any other composite currency into Dollars pursuant to subsection (d)(ii) shall, in the absence of manifest error, be conclusive for all purposes and irrevocably binding upon the Issuer, the Trustee, any paying agent and all holders of the Securities. If a Foreign Currency in which payment of a series of Securities may be made, pursuant to subsection (a) above, is not available to the Issuer for making payments thereof due to the imposition of exchange controls or other circumstances beyond the control of the Issuer, the Issuer, after learning thereof, will give notice thereof to the Trustee immediately (and the Trustee promptly thereafter will give notice to the holders in the manner provided in Section 11.4) specifying the last date on which the Foreign Currency was used for the payment of principal of (and premium, if any) or interest on such series of Securities. In the event the ECU ceases to be used both within the European Monetary System and for the settlement of transactions by public institutions of or within the European Communities or is not available due to circumstances beyond the control of the Issuer, or any other composite currency in which a Security is denominated or payable ceases to be used for the purposes for which it was established or is not available due to circumstances beyond the control of the Issuer, the Issuer, after learning thereof, will give notice thereof to the Trustee immediately (and the Trustee promptly thereafter will give notice to the holders in the manner provided in Section 11.4). In the event of any subsequent change in any Component, the Company, after learning thereof, will give notice to the Trustee similarly (and the Trustee promptly thereafter will give notice to the holders in the

manner provided in Section 11.4). The Trustee shall be fully justified and protected in relying and acting upon the information so received by it from the Issuer and shall not otherwise have any duty or obligation to determine such information independently.

(f) Form of election to receive payments in Dollars or to rescind such election:

The undersigned, registered owner of certificate number (the "Certificate"), representing [name of series of Securities] (the "Securities") in an aggregate principal amount of , hereby

(a) elects to receive all payments in respect of the Securities in Dollars. Subject to the terms and conditions set forth in the Indenture under which the Securities were issued, this election shall take effect on the next record date after this election form is received by the Trustee and shall remain in effect until it is rescinded by the undersigned or until the Certificate is transferred or paid in full at maturity.

[or]

(b) rescinds the election previously submitted by the undersigned to receive all payments in respect of the Securities in Dollars represented by the Certificate. Subject to the terms and conditions set forth in the Indenture, this rescission shall take effect on the next record date after this election form is received by the Trustee.

The undersigned acknowledges that, except as provided in the Indenture, any costs incurred by or on behalf of the Company in connection with the conversion of foreign currency into Dollars shall be borne by the undersigned through deduction from payments required to be made to the undersigned pursuant to the terms of the Indenture.

All capitalized terms used herein, unless otherwise defined herein, shall have the meanings assigned to them in the Indenture.

(Name of Owner)

(Signature of Owner)

SECTION 2.14 SECURITIES ISSUABLE IN THE FORM OF A GLOBAL SECURITY.

(a) If the Issuer shall establish pursuant to Sections 2.1 and 2.3 that the Securities of a particular series are to be issued in whole or in part in the form of one or more Global Securities, then the Issuer shall execute and the Trustee shall authenticate and deliver, such Global Security or Securities, which (i) shall represent, and shall be denominated in an amount equal to the aggregate principal amount of, the outstanding

Securities of such series to be represented by such Global Security or Securities, (ii) shall be registered in the name of the Depositary for such Global Security or Securities or its nominee, (iii) shall be delivered by the Trustee to the Depositary or pursuant to the Depositary's instruction and (iv) shall bear a legend substantially to the following effect:

"Unless and until it is exchanged in whole or in part for the individual Securities represented hereby, this Global Security may not be transferred except as a whole by the Depositary to a nominee of the Depositary or by a nominee of the Depositary to the Depositary or another nominee of the Depositary or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary."

(b) Notwithstanding any other provision of this Section 2.14 or of Section 2.8, subject to the provisions of paragraph (c) below, unless the terms of a Global Security expressly permit such Global Security to be exchanged in whole or in part for individual Securities, a Global Security may be transferred, in whole but not in part and in the manner provided in Section 2.8, only to a nominee of the Depositary for such Global Security, or to the Depositary, or to a successor Depositary for such Global Security selected or approved by the Issuer, or to a nominee of such successor Depositary.

(c)(i) If at any time the Depositary for a Global Security notifies the Issuer that it is unwilling or unable to continue as Depositary for such Global Security or if at any time the Depositary for the Securities of such series or part thereof shall no longer be eligible or in good standing under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation, the Issuer shall appoint a successor Depositary with respect to such Global Security. If a successor Depositary for such Global Security is not appointed by the Issuer within 90 days after the Issuer receives such notice or becomes aware of such ineligibility, the Issuer will execute, and the Trustee, upon receipt of a Company Order for the authentication and delivery of individual Securities of such series in exchange for such Global Security, will authenticate and deliver individual Securities of such series of like tenor and terms in definitive form in an aggregate principal amount equal to the principal amount of the Global Security in exchange for such Global Security.

(ii) The Issuer may at any time and in its sole discretion determine that the Securities of any series issued or issuable in the form of one or more Global Securities shall no longer be represented by such Global Security or Securities. In such event the Issuer will execute, and the Trustee, upon receipt of a Company Order for the authentication and delivery of individual Securities of such series in exchange in whole or in part for such Global Security will authenticate and deliver individual Securities of such series of like tenor and terms in definitive form in an aggregate principal amount equal to the principal amount of such Global Security or Securities representing such series in exchange for such Global Security or Securities.

(iii) If specified by the Issuer pursuant to Sections 2.1 and 2.3 with respect to Securities issued or issuable in the form of a Global Security, the Depositary for such Global Security may surrender such Global Security in exchange in whole or in part for individual Securities of such series of like tenor and terms in definitive form on such terms as are acceptable to the Issuer and such

Depositary. Thereupon the Issuer shall execute, and the Trustee shall authenticate and deliver, without service charge, (1) to each person specified by such Depositary a new Security or Securities of the same series of like tenor and terms and of any authorized denomination as requested by such person in aggregate principal amount equal to and in exchange for such person's beneficial interest in the Global Security; and (2) to such Depositary a new Global Security of like tenor and terms and in an authorized denomination equal to the difference, if any, between the principal amount of the surrendered Global Security and the aggregate principal amount of Securities delivered to beneficial holders thereof.

(iv) In any exchange provided for in any of the preceding three subparagraphs of this paragraph (c), the Issuer will execute and the Trustee will authenticate and deliver individual Securities in definitive registered form in authorized denominations. Upon the exchange of a Global Security for individual Securities, such Global Security shall be canceled by the Trustee. Securities issued in exchange for a Global Security pursuant to this Section shall be registered in such names and in such authorized denominations as the Depositary for such Global Security, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee. The Trustee shall deliver such Securities at its Corporate Trust Office to the persons in whose names such Securities are so registered.

(d) No holder of any beneficial interest in any Global Security held on its behalf by a Depositary shall have any rights under this Indenture with respect to such Global Security, and such Depositary may be treated by the Issuer, the Trustee and any agent of the Issuer or the Trustee as the owner or holder of such Global Security for all purposes whatsoever. Neither the Issuer nor the Trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in any Global Security or any other Security issued in global form or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

ARTICLE THREE

COVENANTS OF THE ISSUER

SECTION 3.1 PAYMENT OF PRINCIPAL AND INTEREST. The Issuer covenants and agrees for the benefit of the respective holders from time to time of each series of Securities that it will duly and punctually pay or cause to be paid the principal of, and interest on, each of the Securities of such series at the place or places, at the respective times and in the manner provided in such Securities. Each installment of interest on the Securities of any series may be paid by mailing checks for such interest payable to or upon the written order of the holders of Securities entitled thereto as they shall appear on the registry books of the Issuer.

SECTION 3.2 OFFICES FOR PAYMENTS, ETC. So long as any of the Securities of any series remain outstanding, the Issuer will maintain in the Borough of Manhattan, The City of New York, the following for such series: (a) an office or agency where the Securities may be presented for payment, (b) an office or agency where the Securities may be presented for registration of transfer and for exchange as in this Indenture provided and (c) an office or agency where notices and demands to or upon the Issuer in respect of the Securities or of this Indenture may be served. The Issuer will give to the Trustee written notice of the location of any such office or agency and of any change of location thereof. The Issuer hereby initially designates the office or agency as shall be specified as contemplated by Section 2.3 for each such purpose. In case the Issuer shall fail to maintain any such office or agency or shall fail to give such notice of the location or of any change in the location thereof, presentations and demands may be made and notices may be served at the Corporate Trust Office.

SECTION 3.3 APPOINTMENT TO FILL A VACANCY IN OFFICE OF TRUSTEE. The Issuer, whenever necessary to avoid or fill a vacancy in the office of Trustee, will appoint, in the manner provided in Section 6.10, a Trustee, so that there shall at all times be a Trustee with respect to each series of Securities hereunder.

SECTION 3.4 PAYING AGENTS. Whenever the Issuer shall appoint a paying agent other than the Trustee with respect to the Securities of any series, it will cause such paying agent to execute and deliver to the Trustee an instrument in which such agent shall agree with the Trustee, subject to the provisions of this Section,

(a) that it will hold all sums received by it as such agent for the payment of the principal of or interest on the Securities of such series (whether such sums have been paid to it by the Issuer or by any other obligor on the Securities of such series) in trust for the benefit of the holders of the Securities of such series or of the Trustee, and

(b) that it will give the Trustee notice of any failure by the Issuer (or by any other obligor on the Securities of such series) to make any payment of the principal of or interest on the Securities of such series when the same shall be due and payable.

The Issuer will, on or prior to each due date of the principal of or interest on the Securities of such series, deposit with the paying agent a sum sufficient to pay such principal or interest so becoming due, and (unless such paying agent is the Trustee) the Issuer will promptly notify the Trustee of any failure to take such action.

If the Issuer shall act as its own paying agent, it will, on or before each due date of the principal of or interest on the Securities of any series, set aside, segregate and hold in trust for the benefit of the holders of the Securities of such Series a sum sufficient to pay such principal or interest so becoming due. The Issuer will promptly notify the Trustee of any failure to take such action.

Anything in this Section to the contrary notwithstanding, the Issuer may at any time, for the purpose of obtaining a satisfaction and discharge of this Indenture with respect to one or more or all series of Securities hereunder, or for any other reason, pay or cause to be paid to the Trustee all sums held in trust for any such series by the Issuer or any paying agent hereunder, as required by this Section, such sums to be held by the Trustee upon the trusts herein contained.

Anything in this Section to the contrary notwithstanding, the agreement to hold sums in trust as provided in this Section is subject to the provisions of Sections 10.3 and 10.4.

SECTION 3.5 WRITTEN STATEMENT TO TRUSTEE. The Issuer will deliver to the Trustee on or before May 15 in each year (beginning with 1995) a written statement (which need not comply with Section 11.5) as to whether or not to the best knowledge of the signers thereof the Isuuer is in default in the performance and observance of the terms, provisions, covenants and conditions of this Indenture (without regard to any period of grace or requirements of notice provided hereunder) and if the Issuer shall be in default, specifying all such defaults and the nature and status thereof of which the signers may have knowledge. At least one signatory to such statement shall be the principal executive officer, principal financial officer or principal accounting officer of the Issuer.

SECTION 3.6 LIMITATIONS ON LIENS. Except to the extent provided in Section 3.8, the Company will not create or assume, and will not permit any Restricted Subsidiary to create or assume, any mortgage, security interest, pledge or lien (collectively in this Article Three referred to as "lien") of or upon any Principal Property or shares of capital stock or indebtedness of any Restricted Subsidiary, whether owned at the date of this Indenture or thereafter acquired, without making effective provision, and the Company in such case will make or cause to be made effective provision, whereby the outstanding Securities shall be secured by such lien equally and ratably with any and all other indebtedness or obligations thereby secured, so long as such other indebtedness or obligations shall be so secured; provided that the foregoing shall not apply to any of the following:

(1) liens on any Principal Property (including any underlying real estate) acquired, constructed or improved by the Company or any

Restricted Subsidiary after the date of this

Indenture which are created or assumed contemporaneously with, or within 120 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 Company or any Restricted Subsidiary), then within 360 days after), the completion of such acquisition, construction or improvement 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 liens on any Principal Property at the time of acquisition thereof;

(2) liens on property or shares of capital stock or indebtedness of a corporation existing at the time such corporation is merged into or consolidated with the Issuer or a Restricted Subsidiary or at the time of a sale, lease or other disposition of the properties of a corporation as an entirety or substantially as an entirety to the Issuer or a Restricted Subsidiary;

(3) liens on property or shares of capital stock or indebtedness of a corporation existing at the time such corporation becomes a Restricted Subsidiary;

(4) liens to secure indebtedness of a Restricted Subsidiary to the Company or to another Restricted Subsidiary, but only so long as such indebtedness is held by the Company or a Restricted Subsidiary;

(5) liens 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, without limitation, liens 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 liens;

(6) liens 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;

(7) liens for the sole purpose of extending, renewing or replacing in whole or in part any lien referred to in the foregoing clauses (1) to (6), inclusive, or in this clause (7), or any lien created prior to and existing on the date of this 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);

(8) mechanics', workmen's, repairmen's, materialmen's, carriers' or other similar liens arising in the ordinary course of business;

(9) liens created by or resulting from any litigation or proceedings which are being contested in good faith; liens arising out of judgments or awards against the Company or any Restricted Subsidiary with respect to which the Company or such Restricted Subsidiary is in good faith prosecuting an appeal or proceedings for review; or liens incurred by the Company or any Restricted Subsidiary for the purpose of obtaining a stay or discharge in the course of any legal proceeding to which the Company or such Restricted Subsidiary is a party; or

(10) liens 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 liens of a nature similar to those hereinabove described in

this clause (10) which do not, in the opinion of the Company, materially impair the use of such property in the operation of the business of the Company or a Restricted Subsidiary or the value of such property for the purposes of such business.

SECTION 3.7 LIMITATION ON SALE AND LEASE-BACK. Except to the extent provided in Section 3.8, the Company will not, nor will it permit any Restricted Subsidiary to, enter into any arrangement with any person providing for the leasing by the Company or any Restricted Subsidiary of any Principal Property (except for temporary leases for a term, including any renewal thereof, of not more than three years and except for leases between the Company and a Restricted Subsidiary or between Restricted Subsidiaries), which property has been owned and operated by the Issuer or any Restricted Subsidiary for more than 120 days and has been or is to be sold or transferred by the Company or such Restricted Subsidiary to such person (in this Article Three referred to as a "Sale and Lease-Back Transaction") unless either (a) the Issuer or such Restricted Subsidiary would be entitled to incur indebtedness secured by a lien on such property without equally and ratably securing the Securities pursuant to the provisions of Section 3.6, or (b) the Company shall apply an amount equal to the Attributable Debt of such Sale and Lease-Back Transaction to (i) the acquisition of another Principal Property of equal or greater fair market value, or (ii) the retirement of indebtedness for borrowed money (excluding indebtedness under a revolving loan facility, unless the commitment is reduced by the amount of such payment), including the Securities, incurred or assumed by the Company or any Restricted Subsidiary (other than indebtedness for borrowed money (excluding indebtedness under a revolving loan facilit, unless the commitment is reduced by the receipt of such payment), owed to the Company or any Restricted Subsidiary) which by its terms matures on, or is extendable or renewable at the option of the obligor to, a date more than twelve months after the date of the creation of such indebtedness.

SECTION 3.8 EXEMPTION FROM LIMITATION ON LIENS AND SALE AND LEASE-BACK. Notwithstanding the provisions of Sections 3.6 and 3.7, the Company and its Restricted Subsidiaries may nevertheless create or assume liens and enter into Sale and Lease-Back Transactions, which would otherwise require securing of the Securities, the acquisition of another Principal Property or the retirement of indebtedness for borrowed money under said provisions, provided that the aggregate amount of all such liens and Sale and Lease-Back Transactions permitted by this Section 3.8 at any time outstanding (as measured by all indebtedness secured by all such liens then outstanding or to be so created or assumed and the Attributable Debt of all such Sale and Lease-Back Transactions then outstanding or to be so entered into) shall not exceed 5% of Consolidated Net Tangible Assets, as determined in accordance with the most recent published consolidated balance sheet of the Company.

SECTION 3.9 SECURITIES TO BE SECURED IN CERTAIN EVENTS OF MERGER, CONSOLIDATION, ETC. If, upon any consolidation or merger of the Company with or into any other corporation, or upon any sale, conveyance or lease of all or substantially all the property of the Company to any other corporation, any Principal Property would thereupon become subject to any lien, the Company, prior to such consolidation, merger, sale, conveyance or lease, will secure the Securities outstanding hereunder, equally and ratably with any other obligations of the Company then entitled thereto, by a direct lien on all such Principal Property prior to all liens other than any theretofore existing thereon.

ARTICLE FOUR

SECURITYHOLDERS' LISTS AND REPORTS BY THE ISSUER AND THE TRUSTEE

SECTION 4.1 ISSUER TO FURNISH TRUSTEE INFORMATION AS TO NAMES AND ADDRESSES OF SECURITYHOLDERS. The Issuer covenants and agrees that it will furnish or cause to be furnished to the Trustee a list in such form as the Trustee may reasonably require of the names and addresses of the holders of the Securities of each series:

(a) semi-annually not more than 15 days after each record date for the payment of semi-annual interest on such Securities, as hereinabove specified, as of such record date and semi-annually on dates to be determined pursuant to Section 2.3 for non-interest bearing securities in each year, and

(b) at such other times as the Trustee may request in writing, within 30 days after receipt by the Issuer of any such request as of a date not more than 15 days prior to the time such information is furnished,

provided that if and so long as the Trustee shall be the Security registrar for such series, such list shall not be required to be furnished.

SECTION 4.2 PRESERVATION AND DISCLOSURE OF SECURITYHOLDERS LISTS. (a) The Trustee shall preserve, in as current a form as is reasonably practicable, all information as to the names and addresses of the holders of each series of Securities contained in the most recent list furnished to it as provided in Section 4.1 or maintained by the Trustee in its capacity as Security registrar, if so acting. The Trustee may destroy any list furnished to it as provided in Section 4.1 upon receipt of a new list so furnished.

(b) In case three or more holders of Securities (hereinafter referred to as "applicants") apply in writing to the Trustee and furnish to the Trustee reasonable proof that each such applicant has owned a Security for a period of at least six months preceding the date of such application, and such application states that the applicants desire to communicate with other holders of Securities of a particular series (in which case the applicants must all hold Securities of such series) or with holders of all Securities with respect to their rights under this Indenture or under such Securities and it is accompanied by a copy of the form of proxy or other communication which such applicants propose to transmit, then the Trustee shall, within five business days after the receipt of such application, at its election, either

(i) afford to such applicants access to the information preserved at the time by the Trustee in accordance with the provisions of subsection (a) of this Section, or

(ii) inform such applicants as to the approximate number of holders of Securities of such series or all Securities, as the case may be, whose names and addresses appear in the information preserved at the time by the Trustee, in accordance with the provisions of subsection (a) of this Section, and as to the approximate cost of mailing to such Securityholders the form of proxy or other communication, if any, specified in such application.

If the Trustee shall elect not to afford to such applicants access to such information, the Trustee shall, upon the written request of such applicants, mail to each Securityholder of such series or all Securities, as the case may be, whose name and address appears in the information preserved at the time by the Trustee in accordance with the provisions of subsection (a) of this Section a copy of the form of proxy or other communication which is specified in such request, with reasonable promptness after a tender to the Trustee of the material to be mailed and of payment, or provision for the payment, of the reasonable expenses of mailing, unless within five days after such tender, the Trustee shall mail to such applicants and file with the Commission together with a copy of the material to be mailed, a written statement to the effect that, in the opinion of the Trustee, such mailing would be contrary to the best interests of the holders of Securities of such series or all Securities, as the case may be, or would be in violation of applicable law. Such written statement shall specify the basis of such opinion. If the Commission, after opportunity for a hearing upon the objections specified in the written statement so filed, shall enter an order refusing to sustain any of such objections or if, after the entry of an order sustaining one or more of such objections, the Commission shall find, after notice and opportunity for hearing, that all the objections so sustained have been met, and shall enter an order so declaring, the Trustee shall mail copies of such material to all such Securityholders with reasonable promptness after the entry of such order and the renewal of such tender; otherwise the Trustee shall be relieved of any obligation or duty to such applicants respecting their application.

(c) Each and every holder of Securities, by receiving and holding the same, agrees with the Issuer and the Trustee that neither the Issuer nor the Trustee nor any agent of the Issuer or the Trustee shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the holders of Securities in accordance with the provisions of subsection (b) of this Section, regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under said subsection (b).

SECTION 4.3 REPORTS BY THE ISSUER. The Issuer covenants:

(a) to file with the Trustee, within 15 days after the Issuer is required to file the same with the Commission, copies of the annual reports and of the information, documents, and other reports (or copies of such portions of any of the foregoing as the Commission may from time to time by rules and regulations prescribe) which the Issuer may be required to file with the Commission pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended, or if the Issuer is not required to file information, documents, or reports pursuant to either of such Sections, then to file with the Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such of the supplementary and periodic information, documents, and reports which may be required pursuant to Section 13 of the Securities Exchange Act of 1934 as amended in respect of a security listed and registered on a national securities exchange as may be prescribed from time to time in such rules and regulations;

(b) to file with the Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such additional information, documents, and reports with respect to compliance by the Issuer with the conditions and covenants provided for in this Indenture as may be required from time to time by such rules and regulations; and

(c) to transmit by mail to the holders of Securities, within 30 days after the filing thereof with the Trustee such summaries of any information, documents and reports required to be filed by the Issuer pursuant to subsections (a) and (b) of this Section as may be required by rules and regulations prescribed from time to time by the Commission.

SECTION 4.4 REPORTS BY THE TRUSTEE. The Trustee shall transmit to the Securityholders such reports concerning the Trustee and its actions under this Indenture as may be required pursuant to the Trust Indenture Act of 1939, at the times and in the manner provided pursuant thereto. Reports so required to be transmitted at stated intervals of not more than 12 months shall be transmitted no later than August 15 in each calender year, commencing in 1995.

A copy of each such report shall, at the time of such transmission to Securityholders, be furnished to the Issuer and be filed by the Trustee with each stock exchange upon which the Securities of any applicable series are listed and also with the Commission. The Issuer agrees to notify the Trustee with respect to any series when and as the Securities of such series become admitted to trading on any national securities exchange.

ARTICLE FIVE

REMEDIES OF THE TRUSTEE AND SECURITYHOLDERS ON EVENT OF DEFAULT

SECTION 5.1 EVENT OF DEFAULT DEFINED; ACCELERATION OF MATURITY; WAIVER OF DEFAULT. "Event of Default" whenever used herein with respect to Securities of any series means any one of the following events and such other events as may be established with respect to the Securities of such series as contemplated by Section 2.3 hereof (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body).

(a) default in the payment of any installment of interest upon any of the Securities of such series as and when the same shall become due and payable, and continuance of such default for a period of 30 days; or

(b) default in the payment of all or any part of the principal on any of the Securities of such series as and when the same shall become due and payable either at maturity, upon redemption, by declaration or otherwise; or

(c) default in the payment of any sinking fund installment as and when the same shall become due and payable by the terms of a Security of that series; or

(d) failure on the part of the Issuer duly to observe or perform any other of the covenants or agreements on the part of the Issuer in this Indenture (other than those set forth exclusively in the terms of any series of Securities established as contemplated in this Indenture) continued for a period of 90 days after the date on which written notice specifying such failure, stating that such notice is a "Notice of Default" hereunder and demanding that the Issuer remedy the same, shall have been given by registered or certified mail, return receipt requested, to the Issuer by the Trustee, or to the Issuer and the Trustee by the holders of at least 25% in aggregate principal amount of the Securities at the time outstanding; or

(e) a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Issuer in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Issuer or for any substantial part of its property or ordering the winding up or liquidation of its affairs, and such decree or order shall remain unstayed and in effect for a period of 90 consecutive days; or

(f) the Issuer shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary case under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Issuer or for any substantial part of its property, or make any general assignment for the benefit of creditors.

If an Event of Default described in clause (a), (b) or (c) or established pursuant to Section 2.3 with respect to the Securities of any series at the time outstanding occurs and is continuing, then, and in each and every such case, unless the principal of all of the Securities of such series shall have already become due and payable, either the Trustee or the holders of not less than 25% in aggregate principal amount of the Securities of such series then outstanding hereunder, by notice in writing to the Issuer (and to the Trustee if given by Securityholders), may declare the entire principal (or, if the Securities of such series are Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms of such series) of all Securities of such series then outstanding and the interest accrued thereon, if any, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable. If an Event of Default described in clause (d), (e) or (f) occurs and is continuing, then and in each and every such case, unless the principal of all the Securities shall have already become due and payable, either the Trustee or the holders of not less than 25% in aggregate principal amount of all the Securities then outstanding hereunder (treated as one class), by notice in writing to the Issuer (and to the Trustee if given by Securityholders), may declare the entire principal (or, if any Securities are Original Issue Discount Securities, such portion of the principal as may be specified in the terms thereof) of all the Securities then outstanding and interest accrued thereon, if any, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable.

The foregoing provisions, however, are subject to the condition that if, at any time after the principal (or, if the Securities are Original Issue Discount Securities, such portion of the principal as may be specified in the terms thereof) of the Securities of any series (or of all the Securities, as the case may be) shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, the Issuer shall pay or shall deposit with the Trustee a sum sufficient to pay all matured installments of interest upon all the Securities of such series (or of all the Securities, as the case may be) and the principal of any and all Securities of such series (or of all the Securities, as the case may be) which shall have become due otherwise than by acceleration (with interest upon such principal and, to the extent that payment of such interest is enforceable under applicable law, on overdue installments of interest, at the same rate as the rate of interest or Yield to Maturity (in the case of Original Issue Discount Securities) specified in the Securities of such series (or at the respective rates of interest or Yields to Maturity of

all the Securities, as the case may be) to the date of such payment or deposit) and such amount as shall be sufficient to cover reasonable compensation to the Trustee and each predecessor Trustee, their respective agents, attorneys and counsel, and all

other expenses and liabilities incurred, and all advances made, by the Trustee and each predecessor Trustee except as a result of negligence or bad faith, and if any and all Events of Default under the Indenture, other than the non-payment of the principal of Securities which shall have become due by acceleration, shall have been cured, waived or otherwise remedied as provided herein--then and in every such case the holders of a majority in aggregate principal amount of the Securities of such series (or of all the Securities, as the case may be) then outstanding, by written notice to the Issuer and to the Trustee, may waive all defaults with respect to such series (or with respect to all Securities, as the case may be--in such case, treated as a single class) and rescind and annul such declaration and its consequences, but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereon.

SECTION 5.2 COLLECTION OF INDEBTEDNESS BY TRUSTEE; TRUSTEE MAY PROVE DEBT. The Issuer covenants that (a) in case default shall be made in the payment of any installment of interest on any of the Securities of any series when such interest shall have become due and payable, and such default shall have continued for a period of 30 days or (b) in case default shall be made in the payment of all or any part of the principal of any of the Securities of any series when the same shall have become due and payable, whether upon maturity of the Securities for such series or upon any redemption or by declaration or otherwise, then upon demand of the Trustee, the Issuer will pay to the Trustee for the benefit of the holders of the Securities of such series the whole amount that then shall have become due and payable on all Securities of such series for principal or interest, as the case may be (with interest to the date of such payment upon the overdue principal and, to the extent that payment of such interest is enforceable under applicable law, on overdue installments of interest at the same rate as the rate of interest or Yield to Maturity (in the case of Original Issue Discount Securities) specified in the Securities of such series); and in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including reasonable compensation to the Trustee and each predecessor Trustee, their respective agents, attorneys and counsel, and any expenses and liabilities incurred, and all advances made, by the Trustee and each predecessor Trustee except as a result of its negligence or bad faith.

Until such demand is made by the Trustee, the Issuer may pay the principal of and interest on the Securities of any series to the registered holders, whether or not the Securities of such series be overdue.

In case the Issuer shall fail forthwith to pay such amounts upon such demand, the Trustee, in its own name and as trustee of an express trust, shall be entitled and empowered to institute any action or proceedings at law or in equity for the collection of the sums so due and unpaid, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against the Issuer or other obligor upon such Securities and collect in the manner provided by law out of the property of the Issuer or other obligor upon such Securities, wherever situated the moneys adjudged or decreed to be payable.

In case there shall be pending proceedings relative to the Issuer or any other obligor upon the Securities of any series under Title 11 of the United States Code or any other applicable Federal or state bankruptcy, insolvency or other similar law, or in case a receiver, assignee or trustee in bankruptcy or reorganization, liquidator, sequestrator or similar official shall have been appointed for or taken possession of the Issuer or its property or such other obligor, or in case of any other judicial proceedings relative to the Issuer or other obligor upon the Securities of any series, or to the creditors or property of the Issuer or such other obligor, the Trustee, irrespective of whether the principal of any Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand pursuant to the provisions of this Section, shall be entitled and empowered, by intervention in such proceedings or otherwise:

(a) to file and prove a claim or claims for the whole amount of principal and interest (or, if the Securities of any series are Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms of that series) owing and unpaid in respect of the Securities of any series, and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for reasonable compensation to the Trustee and each predecessor Trustee, and their respective agents, attorneys and counsel, and for reimbursement of all expenses and liabilities incurred, and all advances made, by the Trustee and each predecessor Trustee, except as a result of negligence

or bad faith) and of the Securityholders allowed in any judicial proceedings relative to the Issuer or other

obligor upon the Securities of any series, or to the creditors or property of the Issuer or such other obligor,

(b) unless prohibited by applicable law and regulations, to vote on behalf of the holders of the Securities of any series in any election of a trustee or a standby trustee in arrangement, reorganization, liquidation or other bankruptcy or insolvency proceedings or person performing similar functions in comparable proceedings, and

(c) to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute all amounts received with respect to the claims of the Securityholders and of the Trustee on their behalf; and any trustee, receiver, or liquidator, custodian or other similar official is hereby authorized by each of the Securityholders to make payments to the Trustee, and, in the event that the Trustee shall consent to the making of payments directly to the Securityholders, to pay to the Trustee such amounts as shall be sufficient to cover reasonable compensation to the Trustee, each predecessor Trustee and their respective agents, attorneys and counsel, and all other expenses and liabilities incurred, and all advances made, by the Trustee and each predecessor Trustee except as a result of negligence or bad faith.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or vote for or accept or adopt on behalf of any Securityholder any plan or reorganization, arrangement, adjustment or composition affecting the Securities of any series or the rights of any holder thereof, or to authorize the Trustee to vote in respect of the claim of any Securityholder in any such proceeding except, as aforesaid, to vote for the election of a trustee in bankruptcy or similar person.

All rights of action and of asserting claims under this Indenture, or under any of the Securities, may be enforced by the Trustee without the possession of any of the Securities or the production thereof on any trial or other proceedings relative thereto, and any such action or proceedings instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment, subject to the payment of the expenses, disbursements and compensation of the Trustee, each predecessor Trustee and their respective agents and attorneys, shall be for the ratable benefit of the holders of the Securities of each series in respect of which such action was taken.

In any proceedings brought by the Trustee (and also any proceedings involving the interpretation of any provision of this Indenture to which the Trustee shall be a party) the Trustee shall be held to represent all the holders of the Securities of each series in respect of which such action was taken, and it shall not be necessary to make any holders of the Securities parties to any such proceedings.

SECTION 5.3 APPLICATION OF PROCEEDS. Any moneys collected by the Trustee pursuant to this Article shall be applied in the following order at the date or dates fixed by the Trustee and, in case of the distribution of such moneys on account of principal or interest, upon presentation of the several Securities in respect of which moneys have been collected and stamping (or otherwise noting) thereon the payment, or issuing Securities of such series in reduced principal amounts in exchange for the presented Securities of such series if only partially paid, or upon surrender thereof if fully paid:

FIRST: To the payment of costs and expenses applicable to such series, including reasonable compensation to the Trustee and each predecessor Trustee and their respective agents and attorneys and of all expenses and liabilities incurred, and all advances made, by the Trustee and each predecessor Trustee except as a result of negligence or bad faith;

SECOND: In case the principal of the Securities in respect of which moneys have been collected shall not have become and be then due and payable, to the payment of interest on the Securities of such series in default in the order of the maturity of the installments of such interest, with interest (to the extent that such interest has been collected by the Trustee) upon the overdue installments of interest at the same rate as the rate of interest or Yield to Maturity (in the case of Original Issue Discount Securities) specified in the Securities of such series, such payments to be made ratably to the persons entitled thereto, without discrimination or preference;

THIRD: In case the principal of the Securities in respect of which moneys have been collected shall have become and shall be then due and payable, to the payment of the whole amount then owing and unpaid upon all the Securities of such series for principal and interest, with interest upon the overdue principal, and (to the extent that such interest has been collected by the Trustee) upon overdue installments of interest at the same rate as the rate of interest or Yield to Maturity (in the case of Original Issue Discount Securities) specified in the Securities of such series; and in case such moneys shall be insufficient to pay in full the whole amount so due and unpaid upon the Securities of such series, then to the payment of such principal and interest, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, or of any Security of such series over any other Security of such series, ratably to the aggregate of such principal and accrued and unpaid interest; and

FOURTH: To the payment of the remainder, if any, to the Issuer or any other person lawfully entitled thereto.

SECTION 5.4 SUITS FOR ENFORCEMENT. In case an Event of Default has occurred, has not been waived and is continuing, the Trustee may in its discretion proceed to protect and enforce the rights vested in it by this Indenture by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any of such rights, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Indenture or in aid of the exercise of any power granted in this Indenture or to enforce any other legal or equitable right vested in the Trustee by this Indenture or by law.

SECTION 5.5 RESTORATION OF RIGHTS ON ABANDONMENT OF PROCEEDINGS. In case the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Issuer and the Trustee shall be restored respectively to their former positions and rights hereunder, and all rights, remedies and powers of the Issuer, the Trustee and the Securityholders shall continue as though no such proceedings had been taken.

SECTION 5.6 LIMITATIONS ON SUITS BY SECURITYHOLDERS. No holder of any Security of any series shall have any right by virtue or by availing of any provision of this Indenture to institute any action or proceeding at law or in equity or in bankruptcy or otherwise upon or under or with respect to this Indenture, or for the appointment of a trustee, receiver, liquidator, custodian or other similar official or for any other remedy hereunder, unless such holder previously shall have given to the Trustee written notice of default and of the continuance thereof, as hereinbefore provided, and unless also the holders of not less than 25% in aggregate principal amount of the Securities of such series then outstanding, or, in the case of any Event of Default described in clause (d), (e) or (f) of Section 5.1, 25% in aggregate principal amount of all Securities then outstanding, shall have made written request upon the Trustee to institute such action or proceedings in its own name as trustee hereunder and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby and the Trustee for 60 days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such action or proceeding and no direction inconsistent with such written request shall have been given to the Trustee pursuant to Section 5.9; it being understood and intended, and being expressly covenanted by the taker and holder of every Security with every other taker and holder and the Trustee, that no one or more holders of Securities of any series shall have any right in any manner whatever by virtue or by availing of any provision of this Indenture to affect, disturb or prejudice the rights of any other holder of Securities, or to obtain or seek to obtain priority over or preference to any other such holder or to enforce any right under this Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all holders of Securities of the applicable series. For the protection and enforcement of the provisions of this Section, each and every Securityholder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

SECTION 5.7 UNCONDITIONAL RIGHT OF SECURITYHOLDERS TO INSTITUTE CERTAIN SUITS. Notwithstanding any other provision in this Indenture and any provision of any Security, the right of any holder of any Security to receive payment of the principal of and interest on such Security on or after the respective due dates

expressed in such Security, or to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such holder.

SECTION 5.8 POWERS AND REMEDIES CUMULATIVE; DELAY OR OMISSION NOT WAIVER OF DEFAULT. Except as provided in Section 2.9, no right or remedy herein conferred upon or reserved to the Trustee or to the Securityholders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

No delay or omission of the Trustee or of any Securityholder to exercise any right or power accruing upon any Event of Default occurring and continuing as aforesaid shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein; and, subject to Section 5.6, every power and remedy given by this Indenture or by law to the Trustee or to the Securityholders may be exercised from time to time, and as often as shall be deemed expedient, by the Trustee or by the Securityholders.

SECTION 5.9 CONTROL BY SECURITYHOLDERS. The holders of a majority in aggregate principal amount of the Securities of each series affected (with each series voting as a separate class) at the time outstanding shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee with respect to the Securities of such series by this Indenture; provided that such direction shall not be otherwise than in accordance with law and the provisions of this Indenture and provided further that (subject to the provisions of Section 6.1) the Trustee shall have the right to decline to follow any such direction if the Trustee, being advised by counsel, shall determine that the action or proceeding so directed may not lawfully be taken or if the Trustee in good faith by its board of directors, the executive committee, or a trust committee of directors or responsible officers of the Trustee shall determine that the action or proceedings so directed would involve the Trustee in personal liability or if the Trustee in good faith shall so determine that the actions or forebearances specified in or pursuant to such direction shall be unduly prejudicial to the interests of holders of the Securities of all series so affected not joining in the giving of said direction, it being understood that (subject to Section 6.1) the Trustee shall have no duty to ascertain whether or not such actions or forebearances are unduly prejudicial to such holders.

Nothing in this Indenture shall impair the right of the Trustee in its discretion to take any action deemed proper by the Trustee and which is not inconsistent with such direction or directions by Securityholders.

SECTION 5.10 WAIVER OF PAST DEFAULTS. Prior to the declaration of the maturity of the Securities of any series (or of all the Securities, as the case may be) as provided in Section 5.1, the holders of a majority in aggregate principal amount of the Securities of such series at the time outstanding may on behalf of the holders of all the Securities of such series waive any past default or Event of Default described in clause (c) of Section 5.1 or any other Event of Default for such series specified in the terms thereof as contemplated by Section 2.3 (or, in the case of an event specified in clause (d), (e) or (f) of Section 5.1, the holders of a majority in aggregate principal amount of all the Securities then outstanding (voting as one class) may waive any such default or Event of Default), and its consequences except a default (a) in the payment of principal of or interest on any of the Securities or (b) in respect of a covenant or provision hereof which cannot be modified or amended without the consent of the holder of each Security affected. In the case of any such waiver, the Issuer, the Trustee and the holders of the Securities of such series (or of all of the Securities, as the case may be) shall be restored to their former positions and rights hereunder, respectively; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Upon any such waiver, such default shall cease to exist and be deemed to have been cured and not to have occurred, and any Event of Default arising therefrom shall be deemed to have been cured, and not to have occurred for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon.

SECTION 5.11 TRUSTEE TO GIVE NOTICE OF DEFAULT, BUT MAY WITHHOLD IN CERTAIN CIRCUMSTANCES. The Trustee shall transmit to the Securityholders of

any series, as the names and addresses of such holders appear on the registry books, notice by mail of all defaults which have occurred with respect to such

series known to the Trustee, such notice to be transmitted within 90 days after the occurrence thereof, unless such defaults shall have been cured before the giving of such notice (the term "default" or "defaults" for the purposes of this Section being hereby defined to mean any event or condition which is, or with notice or lapse of time or both would become, an Event of Default); provided that, except in the case of default in the payment of the principal of or interest on any of the Securities of such series or in the making of any sinking fund payment with respect to such series, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a trust committee of directors or trustees and/or responsible officers of the Trustee in good faith determines that the withholding of such notice is in the interests of the Securityholders of such series.

SECTION 5.12 RIGHT OF COURT TO REQUIRE FILING OF UNDERTAKING TO PAY COSTS. All parties to this Indenture agree, and each holder of any Security by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Trustee, to any suit instituted by any Securityholder or group of Securityholders of any series holding in the aggregate more than 10% in aggregate principal amount of the Securities of such series (or, in the case of any suit relating to or arising under clause (d), (e) or (f) of Section 5.1, 10% in aggregate principal amount of all Securities) outstanding, or to any suit instituted by any Securityholder for the enforcement of the payment of the principal of or interest on any Security on or after the due date expressed in such Security.

ARTICLE SIX

CONCERNING THE TRUSTEE

SECTION 6.1 DUTIES AND RESPONSIBILITIES OF THE TRUSTEE; DURING DEFAULT; PRIOR TO DEFAULT. With respect to the holders of any series of Securities issued hereunder, the Trustee, prior to the occurrence of an Event of Default with respect to the Securities of such series and after the curing or waiving of all Events of Default which may have occurred with respect to such series, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default with respect to the Securities of a series has occurred (which has not been cured or waived) the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that

(a) prior to the occurrence of an Event of Default with respect to the Securities of any series and after the curing or waiving of all such Events of Default with respect to such series which may have occurred:

(i) the duties and obligations of the Trustee with respect to the Securities of any Series shall be determined solely by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any statements, certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such statements, certificates or opinions which by any provision hereof are specifically

required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture;

(b) the Trustee shall not be liable for any error of judgment made in good faith by a responsible officer or responsible officers of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts; and

(c) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders pursuant to Section 5.9 relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there shall be reasonable ground for believing that the repayment of such funds or adequate indemnity against such liability is not reasonably assured to it.

SECTION 6.2 CERTAIN RIGHTS OF THE TRUSTEE. Subject to Section 6.1:

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, Officers' Certificate or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, note, coupon, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request, direction, order or demand of the Issuer mentioned herein shall be sufficiently evidenced by an Officers' Certificate (unless other evidence in respect thereof be herein specifically prescribed); and any resolution of the Board of Directors may be evidenced to the Trustee by a copy thereof certified by the secretary or an assistant secretary of the Issuer;

(c) the Trustee may consult with counsel and any advice or Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder in good faith and in accordance with such advice or Opinion of Counsel;

(d) the Trustee shall be under no obligation to exercise any of the trusts or powers vested in it by this Indenture at the request, order or direction of any of the Securityholders pursuant to the provisions of this Indenture, unless such Securityholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred therein or thereby;

(e) the Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion, rights or powers conferred upon it by this Indenture;

(f) prior to the occurrence of an Event of Default hereunder and after the curing or waiving of all Events of Default, the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, appraisal, bond, debenture, note, coupon, security, or other paper or document unless requested in writing so to do by the holders of not less than a majority in aggregate principal amount of the Securities of all series affected then outstanding; provided that, if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trustee, not reasonably assured to the Trustee by the security afforded to it by the terms of this

Indenture, the Trustee may require reasonable indemnity against such expenses or liabilities as a condition to proceeding; the reasonable expenses of every such examination shall be paid by the Issuer or, if paid by the Trustee or any predecessor trustee, shall be repaid by the Issuer upon demand;

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

(h) The Trustee shall not be charged in the knowledge of any default or Event of Default with respect to any Securities of any series unless either (i) a Responsible Officer of the Trustee shall have actual knowledge of the deault or Event of Default or (ii) written notice of such default or Event of Default shall have been given to the Trustee in accordance with the terms of the Indenture.

SECTION 6.3 TRUSTEE NOT RESPONSIBLE FOR RECITALS, DISPOSITION OF SECURITIES OR APPLICATION OF PROCEEDS THEREOF. The recitals contained herein and in the Securities, except the Trustee's certificates of authentication, shall be taken as the statements of the Issuer, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representation as to the validity or sufficiency of this Indenture or of the Securities. The Trustee shall not be accountable for the use or application by the Issuer of any of the Securities or of the proceeds thereof.

SECTION 6.4 TRUSTEE AND AGENTS MAY HOLD SECURITIES; COLLECTIONS, ETC. The Trustee or any agent of the Issuer or the Trustee, in its individual or any other capacity, may become the owner or pledgee of Securities with the same rights it would have if it were not the Trustee or such agent and, subject to Sections 6.8 and 6.13, if operative, may otherwise deal with the Issuer and receive, collect, hold and retain collections from the Issuer with the same rights it would have if it were not the Trustee or such agent.

SECTION 6.5 MONEYS HELD BY TRUSTEE. Subject to the provisions of Section 10.4 hereof, all moneys received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by mandatory provisions of law. Neither the Trustee nor any agent of the Issuer or the Trustee shall be under any liability for interest on any moneys received by it hereunder.

SECTION 6.6 COMPENSATION AND INDEMNIFICATION OF TRUSTEE AND ITS PRIOR CLAIM. The Issuer covenants and agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) and the Issuer covenants and agrees to pay or reimburse the Trustee and each predecessor Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by or on behalf of it in accordance with any of the provisions of this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and of all agents and other persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence or bad faith. The Issuer also covenants to indemnify the Trustee and each predecessor Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of this Indenture or the trusts hereunder and its duties hereunder, including the costs and expenses of defending itself against or investigating any claim of liability in the premises. The obligations of the Issuer under this Section to compensate and indemnify the Trustee and each predecessor Trustee and to pay or reimburse the Trustee and each predecessor Trustee for expenses, disbursements and advances shall constitute additional indebtedness hereunder and shall survive the satisfaction and discharge of this Indenture. Such additional indebtedness shall be a senior claim to that of the Securities upon all property and funds held or collected by the Trustee as such, except funds held in trust for the benefit of the holders of particular Securities, and the Securities are hereby subordinated to such senior claim.

SECTION 6.7 RIGHT OF TRUSTEE TO RELY ON OFFICERS' CERTIFICATE, ETC. Subject to Sections 6.1 and 6.2, whenever in the administration of the trusts of this Indenture the Trustee shall deem it necessary or

desirable that a matter be proved or established prior to taking or suffering or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by an Officers' Certificate delivered to the Trustee, and such certificate, in the absence of negligence or bad faith on the part of the Trustee, shall be full warrant to the Trustee for any action taken, suffered or omitted by it under the provisions of this Indenture upon the faith thereof.

SECTION 6.8 QUALIFICATION OF TRUSTEE; CONFLICTING INTERESTS. If the Trustee has or shall acquire a conflicting interest within the meaning of the Trust Indenture Act of 1939, the Trustee shall either eliminate such interest or resign, to the extent and in the manner provided by, and subject to the provisions of, the Trust Indenture Act of 1939 and this Indenture. To the extent permitted by such Act, the Trustee shall not be deemed to have a conflicting interest by virtue of being a trustee under this Indenture with respect to Securities of more than one series.

SECTION 6.9 PERSONS ELIGIBLE FOR APPOINTMENT AS TRUSTEE. The Trustee for each series hereunder shall at all times be a person that is eligible pursuant to the Trust Indenture Act of 1939 to act as such and has combined capital and surplus of at least $100,000,000. Such corporation shall have its principal place of business in the Commonwealth of Pennsylvania or in the Borough of Manhattan, The City of New York, if there be such a corporation in such location willing to act upon reasonable and customary terms and conditions. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of its supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, the Trustee shall resign immediately in the manner and with the effect specified in Section 6.10.

SECTION 6.10 RESIGNATION AND REMOVAL; APPOINTMENT OF SUCCESSOR TRUSTEE. (a) The Trustee, or any trustee or trustees hereafter appointed, may at any time resign with respect to one or more or all series of Securities by giving written notice of resignation to the Issuer and by mailing notice thereof by first-class mail to holders of the applicable series of Securities at their last addresses as they shall appear on the Security register. Upon receiving such notice of resignation, the Issuer shall promptly appoint a successor trustee or trustees with respect to the applicable series by written instrument in duplicate, executed by authority of the Board of Directors, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor trustee or trustees. If no successor trustee shall have been so appointed with respect to any series and have accepted appointment within 30 days after the mailing of such notice of resignation, the resigning trustee may petition any court of competent jurisdiction for the appointment of a successor trustee, or any Securityholder who has been a bona fide holder of a Security or Securities of the applicable series for at least six months may, subject to the provisions of Section 5.12, on behalf of himself and all others similarly situated, petition any such court for the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor trustee.

(b) In case at any time any of the following shall occur:

(i) the Trustee shall fail to comply with the provisions of Section 6.8 with respect to any series of Securities after written request therefor by the Issuer or by any Securityholder who has been a bona fide holder of a Security or Securities of such series for at least six months; or

(ii) the Trustee shall cease to be eligible in accordance with the provisions of Section 6.9 and shall fail to resign after written request therefor by the Issuer or by any such Securityholder; or

(iii) the Trustee shall become incapable of acting with respect to any series of Securities, or shall be adjudged a bankrupt or insolvent, or a receiver or liquidator of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation;

then, in any such case, the Issuer may remove the Trustee with respect to the applicable series of Securities and appoint a successor trustee for such series by written instrument, in duplicate, executed by order of the Board of Directors of the Issuer, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee, or, subject to the provisions of Section 5.12, any Securityholder who has been a bona fide holder of a Security or Securities of such series for at least six months may on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee with respect to such series. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor trustee.

(c) The holders of a majority in aggregate principal amount of the Securities of one or more series (each series voting as a class) or of all series at the time outstanding may at any time remove the Trustee with respect to Securities of the applicable series or of all series, as the case may be, and appoint a successor trustee with respect to the Securities of the applicable series or of all series, as the case may be, by delivering to the Trustee so removed, to the successor trustee so appointed and to the Issuer the evidence provided for in Section 7.1 of the action in that regard taken by the Securityholders.

(d) Any resignation or removal of the Trustee with respect to any series and any appointment of a successor trustee with respect to such series pursuant to any of the provisions of this Section 6.10 shall become effective upon acceptance of appointment by the successor trustee as provided in Section 6.11.

SECTION 6.11 ACCEPTANCE OF APPOINTMENT BY SUCCESSOR TRUSTEE. Any successor trustee appointed as provided in Section 6.10 shall execute and deliver to the Issuer and to its predecessor trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor trustee with respect to all or any applicable series shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all rights, powers, duties and obligations with respect to such series of its predecessor hereunder, with like effect as if originally named as trustee for such series hereunder; but, nevertheless, on the written request of the Issuer or of the successor trustee, upon payment of its charges then unpaid, the trustee ceasing to act shall, subject to Section 10.4, pay over to the successor trustee all moneys at the time held by it hereunder with respect to such series and shall execute and deliver an instrument transferring to such successor trustee all such rights, powers, duties and obligations. Upon request of any such successor trustee, the Issuer shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers. Any trustee ceasing to act shall, nevertheless, retain a prior claim upon all property or funds held or collected by such trustee to secure any amounts then due it pursuant to the provisions of Section 6.6.

If a successor trustee is appointed with respect to the Securities of one or more (but not all) series, the Issuer, the predecessor Trustee and each successor trustee with respect to the Securities of any applicable series shall execute and deliver an indenture supplemental hereto which shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the predecessor Trustee with respect to the Securities of any series as to which the predecessor Trustee is not retiring shall continue to be vested in the predecessor Trustee, and shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such trustees co-trustees of the same trust and that each such trustee shall be trustee of a trust or trusts under separate indentures.

No successor trustee with respect to any series of Securities shall accept appointment as provided in this Section 6.11 unless at the time of such acceptance such successor trustee shall be qualified under the provisions of Section 6.8 and eligible under the provisions of Section 6.9.

Upon acceptance of appointment by any successor trustee as provided in this Section 6.11, the Issuer shall mail notice thereof by first-class mail to the holders of Securities of any series for which such successor trustee is acting as trustee at their last addresses as they shall appear in the Security register. If the acceptance of appointment is substantially contemporaneous with the resignation, then the notice called for by the preceding sentence may be combined with the notice called for by Section 6.10. If the Issuer fails to

mail such notice within 10 days after acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be mailed at the expense of the Issuer.

SECTION 6.12 MERGER, CONVERSION, CONSOLIDATION OR SUCCESSION TO BUSINESS OF TRUSTEE. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided that such corporation shall be qualified under the provisions of Section 6.8 and eligible under the provisions of Section 6.9, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

In case at the time such successor to the Trustee shall succeed to the trusts created by this Indenture any of the Securities of any series shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor Trustee and deliver such Securities so authenticated; and, in case at that time any of the Securities of any series shall not have been authenticated, any successor to the Trustee may authenticate such Securities either in the name of any predecessor hereunder or in the name of the successor Trustee; and in all such cases such certificate shall have the full force which it is anywhere in the Securities of such series or in this Indenture provided that the certificate of the Trustee shall have; provided, that the right to adopt the certificate of authentication of any predecessor Trustee or to authenticate Securities of any series in the name of any predecessor Trustee shall apply only to its successor or successors by merger, conversion or consolidation.

SECTION 6.13 PREFERENTIAL COLLECTION OF CLAIMS AGAINST THE ISSUER. If and when the Trustee shall be or become a creditor of the Issuer (or any other obligor upon the Securities), the Trustee shall be subject to the provisions of the Trust Indenture Act of 1939 regarding the collection of claims against the Issuer (or any such other obligor).

ARTICLE SEVEN

CONCERNING THE SECURITYHOLDERS

SECTION 7.1 EVIDENCE OF ACTION TAKEN BY SECURITYHOLDERS. Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by a specified percentage in aggregate principal amount of the Securityholders of any or all series may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such specified percentage of Securityholders in person or by agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee. Proof of execution of any instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Sections 6.1 and 6.2) conclusive in favor of the Trustee and the Issuer, if made in the manner provided in this Article. For purposes of determining the principal amount of outstanding Securities of any series the Securityholders of which are required, requested or permitted to give any request, demand, authorization, direction, notice, consent, waiver or take any other action under the Indenture, each Security denominated in a Foreign Currency or composite currency shall be deemed to have a principal amount determined by an Exchange Rate Agent (as evidenced by a certificate of such Exchange Rate Agent) by converting the principal amount of such Security in the currency in which such Security is denominated into Dollars at the Exchange Rate as of the date of original issuance of such Security.

SECTION 7.2 PROOF OF EXECUTION OF INSTRUMENTS AND OF HOLDING OF SECURITIES. Subject to Sections 6.1 and 6.2, proof of the execution of any instrument by a Securityholder or his agent or proxy and proof of the holding by any person of any of the Securities shall be sufficient for any purpose of this Indenture if made in the following manner:

(a) The fact and date of the execution by any such person of any instrument may be proved by the certificate of any notary public or other officer of any jurisdiction within the United States of America authorized to take acknowledgments of deeds that the person executing such instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution sworn to before any such notary or other such officer. Where such execution is by an officer of a corporation, association or trust, trustee of a trust or a member of a partnership on

behalf of such corporation, association, trust or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority.

(b) The holding of Securities shall be proved by the Security register or by a certificate of any duly appointed registrar thereof.

SECTION 7.3 HOLDERS TO BE TREATED AS OWNERS. The Issuer, the Trustee and any agent of the Issuer or the Trustee may deem and treat the person in whose name any Security shall be registered upon the Security register for such series as the absolute owner of such Security (whether or not such Security shall be overdue and notwithstanding any notation of ownership or other writing thereon) for the purpose of receiving payment of or on account of the principal of and, subject to the provisions of this Indenture, interest on such Security and for all other purposes; and neither the Issuer nor the Trustee nor any agent of the Issuer or the Trustee shall be affected by any notice to the contrary. All such payments so made to any such person, or upon his order, shall be valid, and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon any such Security.

SECTION 7.4 SECURITIES OWNED BY ISSUER DEEMED NOT OUTSTANDING. In determining whether the holders of the requisite aggregate principal amount of Securities have concurred in any direction, consent or waiver under this Indenture, Securities which are owned by the Issuer or any other obligor on the Securities with respect to which such determination is being made or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer or any other obligor on the Securities with respect to which such determination is being made shall be disregarded and deemed not to be outstanding for the purpose of any such determination, except that for the purpose of determining whether the Trustee shall be protected in relying on any such direction, consent or waiver only Securities which the Trustee knows are so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Issuer or any other obligor upon the Securities or any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer or any other obligor on the Securities. In case of a dispute as to such right, the advice of counsel shall be full protection in respect of any decision made by the Trustee in accordance with such advice. Upon request of the Trustee, the Issuer shall furnish to the Trustee promptly an Officers' Certificate listing and identifying all Securities, if any, known by the Issuer to be owned or held by or for the account of any of the above-described persons; and, subject to Sections 6.1 and 6.2, the Trustee shall be entitled to accept such Officers' Certificate as conclusive evidence of the facts therein set forth and of the fact that all securities not listed therein are outstanding for the purpose of any such determination.

SECTION 7.5 RIGHT OF REVOCATION OF ACTION TAKEN; ACTION OF HOLDERS BINDING ON FUTURE HOLDERS. At any time prior to (but not after) the evidencing to the Trustee, as provided in Section 7.1, of the taking of any action by the holders of the percentage in aggregate principal amount of the Securities of any or all series, as the case may be, specified in this Indenture in connection with such action, any holder of a Security the serial number of which is shown by the evidence to be included among the serial numbers of the Securities the holders of which have consented to such action may, by filing written notice at the Corporate Trust Office and upon proof of holding as provided in this Article, revoke such action so far as concerns such Security. Except as aforesaid any such action taken by the holder of any Security shall be conclusive and binding upon such holder and upon all future holders and owners of such Security and of any Securities issued in exchange or substitution therefor, irrespective of whether or not any notation in regard thereto is made upon any such Security. Any action taken by the holders of the percentage in aggregate principal amount of the Securities of any or all series, as the case may be, specified in this Indenture in connection with such action shall be conclusively binding upon the Issuer, the Trustee and the holders of all the Securities affected by such action.

ARTICLE EIGHT

SUPPLEMENTAL INDENTURES

SECTION 8.1 SUPPLEMENTAL INDENTURES WITHOUT CONSENT OF SECURITYHOLDERS. The Issuer, when authorized by a resolution of its Board of Directors, and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto (which shall conform to the provisions of the Trust Indenture Act of 1939 as in force at the date of the execution thereof) for one or more of the following purposes:

(a) to convey, transfer, assign, mortgage or pledge to the Trustee as security for the Securities any property or assets;

(b) to evidence the succession of another corporation to the Issuer, or successive successions, and the assumption by the successor corporation of the covenants, agreements and obligations of the Issuer pursuant to Article Nine;

(c) to add to the covenants of the Issuer such further covenants, restrictions, conditions or provisions for the protection of the holders of all or any series of Securities (and if such Covenants are to be for the benefit of less than all series of Securities stating that such covenants are expressly being included solely for the benefit of such series) as its Board of Directors and the Trustee shall consider to be for the protection of the holders of such Securities, and to make the occurrence, or the occurrence and continuance, of a default in any such additional covenants, restrictions, conditions or provisions an Event of Default permitting the enforcement of all or any of the several remedies provided in this Indenture as herein set forth; provided, that in respect of any such additional covenant, restriction, condition or provision such supplemental indenture may provide for a particular period of grace after default (which period may be shorter or longer than that allowed in the case of other defaults) or may provide for an immediate enforcement upon such an Event of Default or may limit the remedies available to the Trustee upon such an Event of Default or may limit the right of the holders of a majority in aggregate principal amount of the Securities of such series to waive such an Event of Default;

(d) to cure any ambiguity or to correct or supplement any provision contained herein or in any supplemental indenture which may be defective or inconsistent with any other provision contained herein or in any supplemental indenture; or to make such other provisions in regard to matters or questions arising under this Indenture or under any supplemental indenture as the Board of Directors may deem necessary or desirable and which shall not adversely affect the interests of the holders of the Securities;

(e) to provide for the issuance under this Indenture of Securities in coupon form (including Securities registrable as to principal only) and to provide for exchangeability of such Securities with Securities issued hereunder in fully registered form, and to make all appropriate changes for such purpose;

(f) to establish the form or terms of Securities of any series as permitted by Sections 2.1 and 2.3; and

(g) to evidence and provide for the acceptance of appointment hereunder by a successor trustee with respect to the Securities of one or more series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one trustee, pursuant to the requirements of Section 6.11.

The Trustee is hereby authorized to join in the execution of any such supplemental indenture, to make any further appropriate agreements and stipulations which may be therein contained and to accept the conveyance, transfer, assignment, mortgage or pledge of any property thereunder, but the Trustee shall not be

obligated to enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Any supplemental indenture authorized by the provisions of this Section may be executed without the consent of the holders of any of the Securities at the time outstanding, notwithstanding any of the provisions of Section 8.2.

SECTION 8.2 SUPPLEMENTAL INDENTURES WITH CONSENT OF SECURITYHOLDERS. With the consent (evidenced as provided in Article Seven) of the holders of not less than 66 2/3% in aggregate principal amount of the Securities at the time outstanding of all series affected by such supplemental indenture (voting as one class), the Issuer, when authorized by a resolution of its Board of Directors, and the Trustee may, from time to time and at any time, enter into an indenture or indentures supplemental hereto (which shall conform to the provisions of the Trust Indenture Act of 1939 as in force at the date of execution thereof) for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any supplemental indenture or of modifying in any manner the rights of the holders of the Securities of each such series; provided, that no such supplemental indenture shall (a) extend the final maturity of any Security, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon, or reduce any amount payable on redemption thereof, or reduce the amount of the principal of an Original Issue Discount Security that would be due and payable upon an acceleration of the maturity thereof pursuant to Section 5.1 or the amount thereof provable in bankruptcy pursuant to Section 5.2, or impair or affect the right of any Securityholder to institute suit for the payment thereof or the right of repayment, if any, at the option of the Securityholder without the consent of the holder of each Security so affected, or (b) reduce the aforesaid percentage of Securities of any series, the consent of the holders of which is required for any such supplemental indenture, without the consent of the holders of each Security so affected.

Upon the request of the Issuer, accompanied by a copy of a resolution of the Board of Directors certified by the Secretary or an Assistant Secretary of the Issuer authorizing the execution of any such supplemental indenture, and upon the filing with the Trustee of evidence of the consent of Securityholders as aforesaid and other documents, if any, required by Section 7.1 the Trustee shall join with the Issuer in the execution of such supplemental indenture unless such supplemental indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such supplemental indenture.

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

Promptly after the execution by the Issuer and the Trustee of any supplemental indenture pursuant to the provisions of this Section, the Issuer shall mail a notice thereof by first-class mail to the holders of Securities of each series affected thereby at their addresses as they shall appear on the registry books of the Issuer, setting forth in general terms the substance of such supplemental indenture. Any failure of the Issuer to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

SECTION 8.3 EFFECT OF SUPPLEMENTAL INDENTURE. Upon the execution of any supplemental indenture pursuant to the provisions hereof, this Indenture shall be and be deemed to be modified and amended in accordance therewith and the respective rights, limitations of rights, obligations, duties and immunities under this Indenture of the Trustee, the Issuer and the holders of Securities of each series affected thereby shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 8.4 DOCUMENTS TO BE GIVEN TO TRUSTEE. The Trustee, subject to the provisions of Sections 6.1 and 6.2, may receive an Officers' Certificate and an Opinion of Counsel as conclusive evidence that any such supplemental indenture complies with the applicable provisions of this Indenture.

SECTION 8.5 NOTATION ON SECURITIES IN RESPECT OF SUPPLEMENTAL INDENTURES. Securities of any series authenticated and delivered after the execution of any supplemental indenture pursuant to the provisions of this Article may bear a notation in form approved by the Trustee for such series as to any matter provided for by such supplemental indenture or as to any action taken at any such meeting. If the Issuer or the Trustee shall so determine, new Securities of any series so modified as to conform, in the opinion of the Trustee and the Board of Directors, to any modification of this Indenture contained in any such supplemental indenture may be prepared by the Issuer, authenticated by the Trustee and delivered in exchange for the Securities of such series then outstanding.

ARTICLE NINE

CONSOLIDATION, MERGER, SALE OR CONVEYANCE

SECTION 9.1 COVENANT NOT TO MERGE, CONSOLIDATE, SELL OR CONVEY PROPERTY EXCEPT UNDER CERTAIN CONDITIONS. Nothing contained in this Indenture or in any of the Securities shall prevent any consolidation of the Issuer with, or merger of the Issuer into, any other corporation or corporations (whether or not affiliated with the Issuer), or successive consolidations or mergers to which the Issuer or its successor or successors shall be a party or parties, or shall prevent any sale, lease or conveyance of the property of the Issuer as an entirety or substantially as an entirety; provided, however, that either the Issuer shall be the continuing corporation or the successor corporation shall be a corporation organized and existing under the laws of the United States of America or a state thereof; and provided, further, and that the Issuer hereby covenants and agrees, that upon any such consolidation, merger, sale, lease or conveyance, the due and punctual payment of the principal of and interest on all the Securities, according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of this Indenture to be performed or observed by the Issuer, shall be expressly assumed, by supplemental indenture satisfactory in form to the Trustee, executed and delivered to the Trustee, by the corporation formed by such consolidation, or into which the Issuer shall have been merged, or which shall have acquired such property.

SECTION 9.2 SUCCESSOR CORPORATION SUBSTITUTED. In case of any such consolidation, merger, sale or conveyance, and following such an assumption by the successor corporation, such successor corporation shall succeed to and be substituted for the Issuer, with the same effect as if it had been named herein.

Such successor corporation may cause to be signed, and may issue either in its own name or in the name of the Issuer prior to such succession any or all of the Securities issuable hereunder which theretofore shall not have been signed by the Issuer and delivered to the Trustee; and, upon the order of such successor corporation, instead of the Issuer, and subject to all the terms, conditions and limitations in this Indenture prescribed, the Trustee shall authenticate and shall deliver any Securities which previously shall have been signed and delivered by the officers of the Issuer to the Trustee for authentication, and any Securities which such successor corporation thereafter shall cause to be signed and delivered to the Trustee for that purpose. All of the Securities so issued shall in all respects have the same legal rank and benefit under this Indenture as the Securities theretofore or thereafter issued in accordance with the terms of this Indenture as though all of such Securities had been issued at the date of the execution hereof.

In case of any such consolidation, merger, sale, lease or conveyance such changes in phraseology and form (but not in substance) may be made in the Securities thereafter to be issued as may be appropriate.

In the event of any such sale or conveyance (other than a conveyance by way of lease) the Issuer or any successor corporation which shall theretofore have become such in the manner described in this Article shall be discharged from all obligations and covenants under this Indenture and the Securities and may be liquidated and dissolved.

SECTION 9.3 OPINION OF COUNSEL TO TRUSTEE. The Trustee, subject to the provisions of Sections 6.1 and 6.2, may receive an Opinion of Counsel as conclusive evidence that any such consolidation, merger, sale, lease or conveyance, and any such assumption, and any such liquidation or dissolution, complies with the applicable provisions of this Indenture.

ARTICLE TEN

SATISFACTION AND DISCHARGE OF INDENTURE AND SECURITIES; UNCLAIMED MONEYS

SECTION 10.1 SATISFACTION AND DISCHARGE OF INDENTURE. If at any time (a) the Issuer shall have paid or caused to be paid the principal of and interest on all the Securities of all series outstanding hereunder, as and when the same shall have become due and payable or (b) the Issuer shall have delivered to the Trustee for cancellation all Securities of any series theretofore authenticated (other than any Securities of such series which shall have been destroyed, lost or stolen and which shall have been replaced or paid as provided in Section 2.9) or (c) (i) all the securities of such series not theretofore delivered to the Trustee for cancellation shall have become due and payable, or are by their terms to become due and payable within one year or are to be called for redemption under arrangements satisfactory to the Trustee for the giving of notice of redemption, and (ii) the Issuer shall have irrevocably deposited or caused to be deposited with the Trustee as trust funds the entire amount in the currency or currency unit in which such Securities of such series are payable (other than moneys repaid by the Trustee or any paying agent to the Issuer in accordance with Section 10.4) sufficient to pay at maturity or upon redemption all Securities of such series not theretofore delivered to the Trustee for cancellation, including principal and interest due or to become due to such date of maturity or redemption date, as the case may be, and if, in any such case, the Issuer shall also pay or cause to be paid all other sums payable hereunder by the Issuer with respect to Securities of such series, then this Indenture shall cease to be of further effect with respect to Securities of such series (except as to (i) rights of registration of transfer and exchange, and the Issuer's right of optional redemption, (ii) substitution of apparently mutilated, defaced, destroyed, lost or stolen Securities, (iii) rights of the holders to receive payments of principal thereof and interest thereon from the trust fund established pursuant to Section 10.1 (c) or Section 10.2, and remaining rights of the holders to receive mandatory sinking fund payments, if any from the trust fund established pursuant to Section 10.1 (c) or Section 10.2, (iv) the rights, obligations and immunities of the Trustee hereunder and (v) the rights of the Securityholders of such series as beneficiaries hereof with respect to the property so deposited with the Trustee payable to all or any of them), and the Trustee, on demand of the Issuer accompanied by an Officers' Certificate and an Opinion of Counsel and at the cost and expense of the Issuer, shall execute proper instruments acknowledging such satisfaction of and discharging this Indenture with respect to Securities of such series. The Issuer agrees to reimburse the Trustee for any costs or expenses thereafter reasonably and properly incurred and to compensate the Trustee for any services thereafter reasonably and properly rendered by the Trustee in connection with this Indenture or the Securities of such series.

SECTION 10.2 DEFEASANCE. (A) For purposes of Section 10.1 the Issuer shall be deemed to have paid the principal of, premium, if any, and interest, if any, on any Security or Securities outstanding hereunder as and when the same shall have become due and payable, if the Issuer shall have irrevocably deposited or caused to be deposited in trust with the Trustee (i) funds in an amount (in such currency, currencies or currency unit or units in which such outstanding Securities are payable) or (ii) in the case of Securities denominated in Dollars, U.S. Government Obligations (as defined below) or, in the case of Securities denominated in a Foreign Currency, Foreign Government Securities, which through the payment of interest and principal in respect thereof in accordance with their terms will provide, not later than one business day before the due date of any payment of principal (including any premium) and interest, if any, under such Securities, money in an amount or (iii) a combination (i) and (ii) sufficient (in the opinion with respect to (ii) and (iii) of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee) to pay and discharge each installment of principal of (including any premium), and interest, if any, on, such outstanding Securities on the dates such installments of interest or principal are due, in the currency, currencies or currency unit or units, in which such Securities are payable; provided, however, that the Issuer shall not make or cause to be made the deposit provided by this Section 10.2(A) with respect to Securities denominated in a Foreign Currency unless the Issuer shall have delivered to the Trustee an Opinion of Counsel to the effect that there will not occur any violation of the Investment Company Act of 1940, as amended, on the part of the Issuer, the trust funds representing such deposit or the Trustee as a result of such deposit and the related exercise of the Issuer's option under this Section 10.2; provided further, however, that notwithstanding the foregoing, with respect to any series of Securities which shall at the time be listed for trading on The New York Stock Exchange, there shall be no deposit of funds in cash and/or in U.S. Government Obligations or Foreign Government

Securities with the Trustee to pay the principal amount, the redemption price or any installment of interest in order to discharge the Company's obligation in respect of any such payment if at such time the rules of The New York Stock Exchange prohibit such deposit with the Trustee if such discharge will (or may) occur more than ten (10) days in advance

of the date on which such funds or payments on such U.S. Government Obligations or Foreign Government Securities become available to holders of such Securities entitled to receive such payment. Concurrently with any such deposit with the Trustee, the Company shall deliver to the Trustee an Officers' Certificate to the effect that under the laws in effect on the date of such deposit the amount of such deposit will be sufficient, after payment of all Federal, state and local taxes in respect thereof payable by the Trustee, and without consideration of any reinvestment of any principal of or interest on any such U.S. Government Obligations or Foreign Government Securities, to retire at maturity or upon redemption such Securities, including principal, premium, if any, and interest, if any, due or to become due to such date of maturity or redemption.

Upon receipt by the Trustee of funds, U.S. Government Obligations and/or Foreign Government Securities, in accordance with this Section, together with any required documents, the Trustee shall, upon receipt of a Company Order, acknowledge in writing that the Security or Securities or portions thereof with respect to which such deposit was made are deemed to have been paid for all purposes of this Indenture and that the entire indebtedness of the Company in respect thereof is deemed to have been satisfied and discharged.

If payment at their stated maturity of less than all of the Securities of any series, or any Tranche thereof, is to be provided for in the manner and with the effect provided in this Section, the Trustee shall select such Securities, or portions of principal amount thereof, in the manner specified in Section 12.2 for selection for redemption of less than all the Securities of a series or Tranche.

(B) A Security of any particular series may also provide that the Issuer shall as a condition of effectuating this Section 10.2 have either:

(a) delivered to the Trustee (i) an Officers' Certificate and Opinion of Counsel to the effect that (1) for Federal income tax purposes, the deposit of such cash and/or U.S. Government Obligations or Foreign Government Securities in trust with the Trustee and the satisfaction and discharge of this Indenture with respect to Securities of such series pursuant to this Section 10.2 will not cause the holders of Securities of such series to recognize income, gain or loss at such time, (2) for Federal income tax purposes, such holders (and future holders of Securities of such series) will be subject to tax in the same manner as if the events described in the preceding clause (1) had not occurred, and (ii) an undertaking providing that the Issuer shall indemnify the Trustee on an after-tax basis against any increase in tax liability caused by the defeasance referred to in this Section 10.2 resulting from any change in Federal, state or local tax law subsequent to the date referred to in the last sentence of paragraph (A) of this Section 10.2 to the extent necessary to retire the Securities of such series as provided in the last sentence of paragraph A of this Section 10.2; or, in the alternative,

(b) entered into an undertaking providing that the Issuer shall indemnify the Trustee and the holders (and future holders) of Securities of such series on an after-tax basis against any increase in tax liability caused by the defeasance referred to in this Section 10.2.

SECTION 10.3 SATISFACTION AND DISCHARGE OF SECURITIES. Securities of a series shall be deemed to have been paid in full as between the Issuer and the respective holders (and future holders) of Securities of such series upon the satisfaction and discharge of the Indenture with respect to Securities of such series pursuant to Section 10.1, except that in the case of such satisfaction and discharge as a result of compliance with Section 10.2, the Securities of such series shall only be deemed to have been paid in full as between the Issuer and the respective holders (and future holders) of Securities of such series if the deposit in trust with the Trustee by the Issuer of the funds in cash and/or U.S. Government Obligations or Foreign Government Securities as provided in Section 10.2 is not subsequently deemed a preference under the United States Bankruptcy Code as then in effect.

SECTION 10.4 APPLICATION BY TRUSTEE OF MONEYS, U.S. GOVERNMENT OBLIGATIONS OR FOREIGN GOVERNMENT SECURITIES DEPOSITED FOR PAYMENT OF SECURITIES. Subject to Section 10.6, all moneys, U.S. Government Obligations or Foreign Government Securities deposited with the Trustee pursuant to Section 10.1 or Section 10.2 shall be held in trust and applied by it to the payment, either directly or through any paying agent (including the Issuer acting as its own paying agent), to the holders of the particular Securities of such series for the payment or redemption of which such moneys, U.S. Government Obligations

have been deposited with the Trustee, of all sums due and to become due thereon for principal, if any, and interest; but such moneys, U.S. Government Obligations or Foreign Government Securities need not be segregated from other funds except to the extent required by law.

SECTION 10.5 REPAYMENT OR DELIVERY OF MONEYS, U.S. GOVERNMENT OBLIGATIONS OR FOREIGN GOVERNMENT SECURITIES HELD BY PAYING AGENT. In connection with the satisfaction and discharge of this Indenture with respect to Securities of any series, all moneys, U.S. Government Obligations or Foreign Government Securities then held by any paying agent under the provisions of this Indenture with respect to such series of Securities shall, upon demand of the Issuer, be paid or delivered to the Trustee and thereupon such paying agent shall be released from all further liability with respect to such moneys, U.S. Government Obligations or Foreign Government Securities.

SECTION 10.6 RETURN OF MONEYS, U.S. GOVERNMENT OBLIGATIONS OR FOREIGN GOVERNMENT SECURITIES HELD BY TRUSTEE AND PAYING AGENT UNCLAIMED FOR THREE YEARS. Any moneys, U.S. Government Obligations or Foreign Government Securities deposited with or paid to the Trustee or any paying agent for the payment of the principal of, premium, if any, or interest on any Security of any series and not applied but remaining unclaimed for three years after the date upon which such principal, premium or interest shall have become due and payable, shall, upon the written request of the Issuer and unless otherwise required by mandatory provisions of applicable escheat or abandoned or unclaimed property laws, be repaid or delivered to the Issuer by the Trustee for such series or such paying agent, and the holder of the Security of such series shall, unless otherwise required by mandatory provisions of applicable escheat or abandoned or unclaimed property laws, thereafter look only to the Issuer for any payment which such holder may be entitled to collect, and all liability of the Trustee or any paying agent with respect to such moneys, U.S. Government Obligations or Foreign Government Securities shall thereupon cease.

SECTION 10.7 REINSTATEMENT. If the Trustee is unable to apply any money, U.S. Government Obligations or Foreign Government Securities in accordance with Section 10.1 or 10.2 by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Issuer's obligations under this Indenture and such Securities shall be revived and reinstated as though no deposit had occurred pursuant to Section 10.1 or 10.2 until such time as the Trustee is permitted to apply all such money, U.S. Government Obligations or Foreign Government Securities in accordance with Section 10.1 or 10.2; provided, however, that if the Company has made any payment of interest on or principal of (and premium, if any) on such Securities because of the reinstatement of its obligations, the Company shall be subrogated to the rights of the holders of such series of Securities to receive such payment from the money, U.S. Government Obligations or Foreign Government Securities held by the Trustee.

ARTICLE ELEVEN

MISCELLANEOUS PROVISIONS

SECTION 11.1 INCORPORATORS, STOCKHOLDERS, OFFICERS AND DIRECTORS OF ISSUER EXEMPT FROM INDIVIDUAL LIABILITY. No recourse under or upon any obligation, covenant or agreement contained in this Indenture, or in any Security, or because of any indebtedness evidenced thereby, shall be had against any incorporator, as such or against any past, present or future stockholder, officer or director, as such, of the Issuer or of any successor, either directly or through the Issuer or any successor, under any rule of law, statute or constitutional provision or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such liability being expressly waived and released by the acceptance of the Securities by the holders thereof and as part of the consideration for the issue of the Securities.

SECTION 11.2 PROVISIONS OF INDENTURE FOR THE SOLE BENEFIT OF PARTIES AND SECURITYHOLDERS. Nothing in this Indenture or in the Securities, expressed or implied, shall give or be construed to give to any person, firm or corporation, other than the parties hereto and their successors and the holders of the Securities, any legal or equitable right, remedy or claim under this Indenture or under any covenant or provision herein contained, all such covenants and provisions being for the sole benefit of the parties hereto and their successors and of the holders of the Securities.

SECTION 11.3 SUCCESSORS AND ASSIGNS OF ISSUER BOUND BY INDENTURE. All the covenants, stipulations, promises and agreements in this Indenture contained by or in behalf of the Issuer shall bind its successors and assigns, whether so expressed or not.

SECTION 11.4 NOTICE AND DEMANDS ON ISSUER, TRUSTEE AND SECURITYHOLDERS. Any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustee or by the holders of Securities to or on the Issuer may be given or served by being deposited postage prepaid, first-class mail (except as otherwise specifically provided herein) addressed (until another address of the Issuer is filed by the Issuer with the Trustee) to AIR PRODUCTS AND CHEMICALS, INC., 7201 Hamilton Boulevard, Allentown, Pennsylvania 18195-1501, Attention: Corporate Secretary. Any notice, direction, request or demand by the Issuer or any Securityholder to or upon the Trustee shall be deemed to have been sufficiently given or made, for all purposes, if given or made at the Corporate Trust Office.

Where this Indenture provides for notice to holders, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each holder entitled thereto, at his last address as it appears in the Security register. In any case where notice to holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular holder shall affect the sufficiency of such notice with respect to other holders. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

In case, by reason of the suspension of or irregularities in regular mail service, it shall be impracticable to mail notice to the Issuer and Securityholders when such notice is required to be given pursuant to any provision of this Indenture, then any manner of giving such notice as shall be satisfactory to the Trustee shall be deemed to be a sufficient giving of such notice.

SECTION 11.5 OFFICERS' CERTIFICATES AND OPINIONS OF COUNSEL; STATEMENTS TO BE CONTAINED THEREIN. Upon any application or demand by the Issuer to the Trustee to take any action under any of the provisions of this Indenture, the Issuer shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent have been complied with, except that in the case of any such application or demand as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or demand, no additional certificate or opinion need be furnished.

Each certificate or opinion provided for in this Indenture and delivered to the Trustee with respect to compliance with a condition or covenant provided for in this Indenture shall include (a) a statement that the person making such certificate or opinion has read such covenant or condition, (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based, (c) a statement that, in the opinion of such person, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with and (d) a statement as to whether or not, in the opinion of such person, such condition or covenant has been complied with.

Any certificate, statement or opinion of an officer of the Issuer may be based, insofar as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless such officer knows that the certificate or opinion or representations with respect to the matters upon which his certificate, statement or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should know that the same are erroneous. Any certificate, statement or opinion of counsel may be based, insofar as it relates to factual matters, information with respect to which is in the possession of the Issuer, upon the certificate, statement or opinion of or representations by an officer or officers of the Issuer, unless such counsel knows that the certificate, statement or opinion or representations with respect to the matters upon which his certificate, statement or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should know that the same are erroneous.

Any certificate, statement or opinion of an officer of the Issuer or of counsel may be based, insofar as it relates to accounting matters, upon a certificate or opinion of or representations by an accountant or firm of accountants in the employ of the Issuer, unless such officer or counsel, as the case may be, knows that the certificate or opinion or representations with respect to the accounting matters upon which his certificate, statement or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should know that the same are erroneous.

Any certificate or opinion of any independent firm of public accountants filed with the Trustee shall contain a statement that such firm is independent.

SECTION 11.6 PAYMENTS DUE ON SATURDAYS, SUNDAYS AND HOLIDAYS. If the date of maturity of interest on or principal of the Securities of any series or the date fixed for redemption or repayment of any such Security shall not be a business day at the place or places designated for payment in respect of such Securities, then payment of interest or principal need not be made on such date, but may be made on the next succeeding business day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

SECTION 11.7 CONFLICT OF ANY PROVISION OF INDENTURE WITH TRUST INDENTURE ACT OF 1939. If any provision hereof limits, qualifies or conflicts with a provision of the Trust Indenture Act of 1939, which is required under such Act to be part of and govern this Indenture, the latter provision shall control. If any provision of this Indenture modifies or excludes any provision of the Trust Indenture Act of 1939 which may be so modified or excluded, the latter provision shall be deemed to apply to this Indenture as so modified or to be excluded, as the case may be.

SECTION 11.8 NEW YORK LAW TO GOVERN. This Indenture and each Security shall be deemed to be a contract under the laws of the State of New York, and for all purposes shall be construed in accordance with the laws of said State, except as may otherwise be required by mandatory provisions of law.

SECTION 11.9 COUNTERPARTS. This Indenture may be executed in any number of counterparts, each of which shall be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION 11.10 EFFECT OF HEADINGS. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 11.11 MONEYS OF DIFFERENT CURRENCIES TO BE SEGREGATED. The Trustee shall segregate all moneys, funds and accounts held by the Trustee hereunder in one currency from any money, funds or accounts in any other currencies, notwithstanding any provision herein which would otherwise permit the Trustee to commingle such amounts.

SECTION 11.12 PAYMENT TO BE IN PROPER CURRENCY. Each reference in any Security, or in the resolution of the Board of Directors relating thereto, to any currency shall be of the essence. Except as provided in Section 2.13, the obligation of the Issuer to make any payment of principal of (and premium, if any) and interest on any Security shall not be discharged or satisfied by any tender by the Issuer, or recovery by the Trustee, in any currency other than the Specified Currency then due and payable. If any such tender or recovery is in a currency other than the Specified Currency, the Trustee may (but shall not be required to) take such actions as it considers appropriate to exchange such currency for the Specified Currency. The costs and risks of any such exchange, including without limitation the risks of delay and exchange rate fluctuation, shall be borne by the Issuer, and the Issuer shall remain fully liable for any shortfall or delinquency in the full amount of Specified Currency then due and payable, and in no circumstances shall the Trustee be liable therefor. The Issuer hereby waives any defense of payment based upon any such tender or recovery which is not in the Specified Currency, or which, when exchanged for the Specified Currency by the Trustee is less than the full amount of Specified Currency then due and payable.

Any costs incurred by or on behalf of the Issuer (other than costs incurred by the Trustee that are passed on to the Issuer as provided above) in connection with the conversion of any Foreign Currency to Dollars pursuant to an election made by a Securityholder in accordance with Section 2.13 shall be borne by the

Securityholder making such an election through deduction from payments required to be made to such Securityholder pursuant to the terms of the Security or this Indenture.

ARTICLE TWELVE

REDEMPTION OF SECURITIES AND SINKING FUNDS

SECTION 12.1 APPLICABILITY OF ARTICLE. The provisions of this Article shall be applicable to the Securities of any series which are redeemable before their maturity or to any sinking fund for the retirement of Securities of a series except as otherwise specified as contemplated by Section 2.3 for Securities of such series.

SECTION 12.2 NOTICE OF REDEMPTION; PARTIAL REDEMPTIONS. Notice of redemption to the holders of Securities of any series to be redeemed as a whole or in part shall be given by mailing notice of such redemption by first class mail, postage prepaid, at least 30 days and not more than 60 days prior to the date fixed for redemption to such holders of Securities of such series at their last addresses as they shall appear upon the registry books. Any notice which is mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the holder receives the notice. Failure to give notice by mail or any defect in the notice to the holder of any Security of a series designated for redemption as a whole or in part shall not affect the validity of the proceedings for the redemption of any other Security of such series.

The notice of redemption to each such holder shall specify the number of each Security of such series to be redeemed, the date fixed for redemption, the redemption price, the place or places of payment, that payment will be made upon presentation and surrender of such Securities, that such redemption is pursuant to the mandatory or optional sinking fund, or both, if such be the case, that interest accrued to the date fixed for redemption will be paid as specified in said notice and that on and after said date interest thereon or on the portions thereof to be redeemed will cease to accrue. In case any Security of a series is to be redeemed in part only the notice of redemption shall state the portion of the principal amount thereof to be redeemed and shall state that on and after the date fixed for redemption, upon surrender of such Security, a new Security or Securities of such series in principal amount equal to the unredeemed portion thereof will be issued.

The notice of redemption of Securities of any series to be redeemed at the option of the Issuer shall be given by the Issuer or, at the Issuer's request, by the Trustee for such series in the name and at the expense of the Issuer.

At least one business day prior to the redemption date specified in the notice of redemption given as provided in this Section, the Issuer will deposit with the Trustee or with one or more paying agents (or, if the Issuer is acting as its own paying agent, set aside, segregate and hold in trust as provided in Section 3.4) an amount of money sufficient to redeem on the redemption date all the Securities of such series so called for redemption at the appropriate redemption price, together with accrued interest to the date fixed for redemption. If less than all the outstanding Securities of a series are to be redeemed, the Issuer will deliver to the Trustee at least 70 days prior to the date fixed for redemption an Officers' Certificate stating the aggregate principal amount of Securities to be redeemed.

If less than all the Securities of a series are to be redeemed, the Trustee shall select, in such manner as it shall deem appropriate and fair, Securities of such series to be redeemed in whole or in part. Securities may be redeemed in part in an amount equal to the minimum authorized denomination for Securities of such series or any multiple thereof. The Trustee shall promptly notify the Issuer in writing of the Securities of such series selected for redemption and, in the case of any Securities of such series selected for partial redemption, the principal amount thereof to be redeemed. For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities of any series shall relate, in the case of any Security redeemed or to be redeemed only in part, to the portion of the principal amount of such Security which has been or is to be redeemed.

SECTION 12.3 PAYMENT OF SECURITIES CALLED FOR REDEMPTION. If notice of redemption has been given as above provided, the Securities or portions of Securities specified in such notice shall become due and

payable on the date and at the place stated in such notice at the applicable redemption price, together with interest accrued to the date fixed for redemption, and on and after said date (unless the Issuer shall default in the payment of such Securities at the redemption price, together with interest accrued to said date) interest on the Securities or portions of Securities so called for redemption shall cease to accrue and, except as provided in Sections 6.5 and 10.4, such Securities shall cease from and after the date fixed for redemption to be entitled to any benefit or security under this Indenture, and the holders thereof shall have no right in respect of such Securities except the right to receive the redemption price thereof and unpaid interest to the date fixed for redemption. On presentation and surrender of such Securities at a place of payment specified in said notice, said Securities or the specified portions thereof shall be paid and redeemed by the Issuer at the applicable redemption price, together with interest accrued thereon to the date fixed for redemption; provided that any semi-annual payment of interest becoming due on the date fixed for redemption shall be payable to the holders of such Securities registered as such on the relevant record date subject to the terms and provisions of Section 2.7 hereof.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid or duly provided for, bear interest from the date fixed for redemption at the rate of interest or Yield to Maturity (in the case of an Original Discount Security) borne by the Security.

Upon presentation of any Security redeemed in part only, the Issuer shall execute and the Trustee shall authenticate and deliver to or on the order of the holder thereof, at the expense of the Issuer, a new Security or Securities of such series, of authorized denominations, in principal amount equal to the unredeemed portion of the Security so presented.

SECTION 12.4 EXCLUSION OF CERTAIN SECURITIES FROM ELIGIBILITY FOR SELECTION FOR REDEMPTION. Securities shall be excluded from eligibility for selection for redemption if they are identified by registration and certificate number in a written statement signed by an authorized officer of the Issuer and delivered to the Trustee at least 40 days prior to the last date on which notice of redemption may be given as being owned of record and beneficially by, and not pledged or hypothecated by either (a) the Issuer or (b) an entity specifically identified in such written statement as directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer.

SECTION 12.5 MANDATORY AND OPTIONAL SINKING FUNDS. The minimum amount of any sinking fund payment provided for by the terms of Securities of any series is herein referred to as a "mandatory sinking fund payment," and any payment in excess of such minimum amount provided for by the terms of Securities of any series is herein referred to as an "optional sinking fund payment." The last date on which a sinking fund payment may be made in each year is herein referred to as the "sinking fund payment date."

In lieu of making all or any part of any mandatory sinking fund payment with respect to any series of Securities in cash, the Issuer may at its option (a) deliver to the Trustee Securities of such series theretofore purchased or otherwise acquired (except upon redemption pursuant to the mandatory sinking fund) by the Issuer or receive credit for Securities of such series (not previously so credited) theretofore purchased or otherwise acquired (except as aforesaid) by the Issuer and delivered to the Trustee for cancellation pursuant to Section 2.10, or (b) receive credit for Securities of such series (not previously so credited) redeemed either at the election of the Issuer pursuant to the terms of such Securities or through the application of permitted optional sinking fund payments pursuant to the terms of such Securities. Securities so delivered or credited shall be received and credited by the Trustee at the sinking fund redemption price specified in such Securities.

On or before the sixtieth day next preceding each sinking fund payment date for any series, the Issuer will deliver to the Trustee a written statement (which need not contain the statements required by Section 11.5) signed by an authorized officer of the Issuer (a) specifying the portion of the mandatory sinking fund payment to be satisfied by payment of cash and the portion to be satisfied by delivery and credit of Securities of such series, (b) stating that none of the Securities of such series to be delivered and credited has theretofore been so delivered and credited, (c) stating that no defaults in the payment of interest or Events of Default with respect to such series have occurred (which have not been waived or cured) and are continuing and (d) stating whether or not the Issuer intends to exercise its right to make an optional sinking fund payment with respect to such series and, if so,

specifying the amount of such optional sinking fund payment which the Issuer intends to pay on or before the next succeeding sinking fund payment date. Any Securities of such series to be credited and required to be

delivered to the Trustee in order for the Issuer to be entitled to credit therefor as aforesaid which have not theretofore been delivered to the Trustee shall be delivered for cancellation pursuant to Section 2.10 to the Trustee with such written statement (or reasonably promptly thereafter if acceptable to the Trustee). Such written statement shall be irrevocable and upon its receipt by the Trustee the Issuer shall become unconditionally obligated to make the cash payment or payments therein referred to, if any, on or before the next succeeding sinking fund payment date. Failure of the Issuer, on or before any such sixtieth day, to deliver such written statement and Securities specified in this paragraph, if any, shall not constitute a default but shall constitute, on and as of such date, the irrevocable election of the Issuer (i) that the mandatory sinking fund payment for such series due on the next succeeding sinking fund payment date shall be paid entirely in cash without the option to deliver or credit Securities of such series in respect thereof and (ii) that the Issuer will make no optional sinking fund payment with respect to such series as provided in this Section.

If the sinking fund payment or payments (mandatory or optional or both) made in cash plus any unused balance of any preceding sinking fund payments made in cash shall exceed $50,000 (or a lesser sum if the Issuer shall so request) with respect to the Securities of any particular series, such cash shall be applied on the next succeeding sinking fund payment date to the redemption of Securities of such series at the sinking fund redemption price together with accrued interest to the date fixed for redemption. If such amount shall be $50,000 or less and the Issuer makes no such request then it shall be carried over until a sum in excess of $50,000 is available. The Trustee shall select, in the manner provided in Section 12.2, for redemption on such sinking fund payment date a sufficient principal amount of Securities of such series to absorb said cash, as nearly as may be, and shall (if requested in writing by the Issuer) inform the Issuer of the serial numbers of the Securities of such series (or portions thereof) so selected. The Trustee, in the name and at the expense of the Issuer (or the Issuer, if it shall so request the Trustee in writing) shall cause notice of redemption of the Securities of such series to be given in substantially the manner provided in Section 12.2 (and with the effect provided in Section 12.3) for the redemption of Securities of such series in part at the option of the Issuer. The amount of any sinking fund payments not so applied or allocated to the redemption of Securities of such series shall be added to the next cash sinking fund payment and, together with such payment, shall be applied in accordance with the provisions of this Section 12.4. Any and all sinking fund moneys held on the stated maturity date of the Securities of any particular series (or earlier, if such maturity is accelerated), which are not held for the payment or redemption of particular Securities of such series shall be applied, together with other moneys, if necessary, sufficient for the purpose, to the payment of the principal of, and interest on, the Securities of such series at maturity.

At least one business day before each sinking fund payment date, the Issuer shall pay to the Trustee in cash or shall otherwise provide for the payment of all interest accrued to the date fixed for redemption on Securities to be redeemed on such sinking fund payment date.

The Trustee shall not redeem or cause to be redeemed any Securities of a series with sinking fund moneys or mail any notice of redemption of Securities for such series by operation of the sinking fund during the

continuance of a default in payment of interest on such Securities or of any Event of Default except that, where the mailing of notice of redemption of any Securities shall theretofore have been made, the Trustee shall redeem or cause to be redeemed such Securities, provided that it shall have received from the Issuer a sum sufficient for such redemption. Except as aforesaid, any moneys in the sinking fund for such series at the time when any such default or Event of Default shall occur, and any moneys thereafter paid into the sinking fund, shall, during the continuance of such default or Event of Default, be deemed to have been collected under Article Five and held for the payment of all Securities of such series. In case such Event of Default shall have been waived as provided in Section 5.10 or the default cured on or before the sixtieth day preceding the sinking fund payment date in any year, such moneys shall thereafter be applied on the next succeeding sinking fund payment date in accordance with this Section to the redemption of such Securities.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, all as of January 10, 1995.

[CORPORATE SEAL]

Attest:

By /s/ Lynn German Lang
Assistant Secretary

AIR PRODUCTS AND CHEMICALS, INC.

By /s/ Gerald A. White
Senior Vice President-Finance

[CORPORATE SEAL]

Attest:

By /s/ Terence C. McPoyle
Assistant Secretary

FIRST FIDELITY BANK, NATIONAL ASSOCIATION, Trustee

By /s/ John Clapham
Assistant Vice President

COMMONWEALTH OF PENNSYLVANIA)
) ss.:
COUNTY OF LEHIGH)

On this 18th day of January 1995, before me personally came Gerald A. White, to me personally known, who, being by me duly sworn, did depose and say that he resides in Center Valley, Pennsylvania; that he is Senior Vice President-Finance of AIR PRODUCTS AND CHEMICALS, INC., the Corporation described in and which executed the above instrument; that he knows the corporate seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation, and that he signed his name thereto by like authority.

My Commission expires:

[NOTARIAL SEAL]

COMMONWEALTH OF PENNSYLVANIA)
) ss.:
COUNTY OF PHILADELPHIA)

On this 19th January 1995, before me personally came John Clapham to me personally known, who, being by me duly sworn, did depose and say that he resides in Berwyn, Pennsylvania; that he is an Assistant Vice President of FIRST FIDELITY BANK, NATIONAL ASSOCIATION, the national banking association described in and which executed the above instrument; that he knows the corporate seal of said national banking association; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said national banking association, and that he signed his name thereto by like authority.

My Commission expires:

[NOTARIAL SEAL]

Exhibit 5

January 19, 1995

Air Products and Chemicals, Inc.
7201 Hamilton Boulevard
Allentown, PA 1819501501

RE: Air Products and Chemicals, Inc.--Registration Statement on Form S-3 for $400,000,000 Principal Amount of Medium-Term Notes, Series D

Ladies and Gentlemen:

I am an Assistant General Counsel of Air Products and Chemicals, Inc., a Delaware corporation (the "Company"), and have acted in such capacity in connection with the proposed issuance and sale of the Company of up to $400,000,000 aggregate principal amount of its debt securities (the "Securities") as described in the Registration Statement on Form S-3, filed by the Company pursuant to the Securities Act of 1933 on January 19, 1995 (the "Registration Statement"). The Securities are to be issued under an Indenture dated as of January 10, 1995 (the "Indenture"), between the Company and First Fidelity Bank, National Association, as Trustee.

I or members of the Company's legal staff have examined original or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records, certificates of public officials and other instruments as were deemed necessary or advisable for the purpose of enabling me to render this opinion.

Based upon the foregoing, in my capacity as an Assistant General Counsel of the Company, I am of the opinion that when the Registration Statement has become effective, and the Securities have been duly executed by the Company, duly authenticated by the Trustee and delivered by the Company against payment therefor in accordance with the terms of the Indenture, the Securities will be legally issued and will constitute valid and binding obligations of the Company in accordance with their terms (except as (a) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and (b) rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability).

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

Very truly yours,

/s/ Robert F. Gerkens

Robert F. Gerkens
Assistant General Counsel

Exhibit 23(b)

January 19, 1995

Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549-1004

RE: Air Products and Chemicals, Inc.--Registration Statement on Form S-3 for $400,000,000 Principal Amount of Medium-Term Notes, Series D

Ladies and Gentlemen:

We refer to the Registration Statement on Form S-3 of Air Products and Chemicals, Inc. (the "Company"), filed pursuant to the Securities Act of 1933 (the "Registration Statement"), in connection with the proposed issuance and sale of the Company of up to $400,000,000 aggregate principal amount of its Debt Securities and the prospectus included in the Registration Statement which refers to us under the caption "Legal Opinions."

The undersigned hereby consent to the reference to us in such prospectus under the caption "Legal Opinions."

Very truly yours,

/s/ James H. Agger

James H. Agger
Vice President, General Counsel
and Secretary

/s/ Robert F. Gerkens

Robert F. Gerkens
Assistant General Counsel

Exhibit 24

MEDIUM TERM NOTES
SERIES D

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints HAROLD A. WAGNER or GERALD A. WHITE or JAMES H. AGGER, acting severally, his/her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him/her and in his/her name, place and stead, in any and all capacities, to sign a Registration Statement for the registration of up to $400,000,000 aggregate principal amount of debt securities of Air Products and Chemicals, Inc., and any and all amendments thereto, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he/she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities and Exchange Act of 1933, this Power of Attorney has been signed below by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ Harold A. Wagner (Harold A. Wagner)	Director and Chairman of the Board (Principal Executive Officer)	October 20, 1994
/s/ Dexter F. Baker (Dexter F. Baker)	Director	October 20, 1994
/s/ Tom H. Barrett (Tom H. Barrett)	Director	October 20, 1994
/s/ L. Paul Bremer, III (L. Paul Bremer, III)	Director	October 20, 1994
/s/ Will M. Caldwell (Will M. Caldwell)	Director	October 20, 1994
/s/ Robert Cizik (Robert Cizik)	Director	October 20, 1994
/s/ Ruth M. Davis (Ruth M. Davis)	Director	October 20, 1994
/s/ Robert F. Dee (Robert F. Dee)	Director	October 20, 1994
/s/ Terry R. Lautenbach (Terry R. Lautenbach)	Director	October 20, 1994
/s/ Walter F. Raab (Walter F. Raab)	Director	October 20, 1994
/s/ Judith Rodin (Judith Rodin)	Director	October 20, 1994
/s/ Takeo Shiina (Takeo Shiina)	Director	October 20, 1994

Exhibit 25

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY UNDER THE TRUST INDENTURE ACT OF 1939
OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF A TRUSTEE PURSUANT TO SECTION 305(b)(2) ___

FIRST FIDELITY BANK, NATIONAL ASSOCIATION
(Name of Trustee)

22-1147033
(I.R.S. Employer Identification No.)

101 NORTHSIDE PLAZA, ELKTON, MARYLAND
(Address of Principal Executive Offices)

21921
(Zip Code)

AIR PRODUCTS AND CHEMICALS, INC.

(Exact name of registrans as specified in their charters)

DELAWARE
(State of Incorporation)

23-1274455
(I.R.S. Employer Identification No.)

7201 HAMILTON BOULEVARD
ALLENTOWN, PA 18195-1501
(610) 481-7351

(Address of Principal Executive Offices)

DEBT SECURITIES
Application relates to all securities registered pursuant
to the delayed offering registration statement.
(Title of Indenture Securities)

1. GENERAL INFORMATION.

FURNISH THE FOLLOWING INFORMATION AS TO THE TRUSTEE:

(a) NAME AND ADDRESS OF EACH EXAMINING OR SUPERVISORY AUTHORITY TO WHICH IT IS SUBJECT:

Comptroller of the Currency
United States Department of the Treasury
Washington, D.C. 20219

Federal Reserve Bank (3rd District)
Philadelphia, Pennsylvania 19106

Federal Deposit Insurance Corporation
Washington, D.C. 20429

(b) WHETHER IT IS AUTHORIZED TO EXERCISE CORPORATE TRUST POWERS.

Yes.

2. AFFILIATIONS WITH OBLIGOR.

IF THE OBLIGOR IS AN AFFILIATE OF THE TRUSTEE, DESCRIBE EACH SUCH AFFILIATION.

None.

3. VOTING SECURITIES OF THE TRUSTEE.

FURNISH THE FOLLOWING INFORMATION AS TO EACH CLASS OF VOTING SECURITIES OF THE TRUSTEE:

Not applicable - see answer to item 13.

4. TRUSTEESHIPS UNDER OTHER INDENTURES.

IF THE TRUSTEE IS A TRUSTEE UNDER ANOTHER INDENTURE UNDER WHICH ANY OTHER SECURITIES, OR CERTIFICATES OF INTEREST OR PARTICIPATION IN ANY OTHER SECURITIES, OF THE OBLIGOR ARE OUTSTANDING, FURNISH THE FOLLOWING INFORMATION:

Not applicable - see answer to item 13.

5. INTERLOCKING DIRECTORATES AND SIMILAR RELATIONSHIPS WITH THE OBLIGOR OR UNDERWRITERS.

IF THE TRUSTEE OR ANY OF THE DIRECTORS OR EXECUTIVE OFFICERS OF THE TRUSTEE IS A DIRECTOR, OFFICER, PARTNER, EMPLOYEE, APPOINTEE, OR REPRESENTATIVE OF THE OBLIGOR OR OF ANY UNDERWRITER FOR THE OBLIGOR, IDENTIFY EACH SUCH PERSON HAVING ANY SUCH CONNECTION AND STATE THE NATURE OF EACH SUCH CONNECTION.

Not applicable - see answer to item 13.

6. VOTING SECURITIES OF THE TRUSTEE OWNED BY THE OBLIGOR OR ITS OFFICIALS.

FURNISH THE FOLLOWING INFORMATION AS TO THE VOTING SECURITIES OF THE TRUSTEE OWNED BENEFICIALLY BY THE OBLIGOR AND EACH DIRECTOR, PARTNER, AND EXECUTIVE OFFICER OF THE OBLIGOR:

Not applicable - see answer to item 13.

7. VOTING SECURITIES OF THE TRUSTEE OWNED BY UNDERWRITERS OR THEIR OFFICIALS.

FURNISH THE FOLLOWING INFORMATION AS TO THE VOTING SECURITIES OF THE TRUSTEE OWNED BENEFICIALLY BY EACH UNDERWRITER FOR THE OBLIGOR AND EACH DIRECTOR, PARTNER, AND EXECUTIVE OFFICER OF EACH SUCH UNDERWRITER:

Not applicable - see answer to item 13.

8. SECURITIES OF THE OBLIGOR OWNED OR HELD BY THE TRUSTEE.

FURNISH THE FOLLOWING INFORMATION AS TO SECURITIES OF THE OBLIGOR OWNED BENEFICIALLY OR HELD AS COLLATERAL SECURITY FOR OBLIGATIONS IN DEFAULT BY THE TRUSTEE:

Not applicable - see answer to item 13.

9. SECURITIES OF UNDERWRITERS OWNED OR HELD BY THE TRUSTEE.

IF THE TRUSTEE OWNS BENEFICIALLY OR HOLDS AS COLLATERAL SECURITY FOR OBLIGATIONS IN DEFAULT ANY SECURITIES OF AN UNDERWRITER FOR THE OBLIGOR, FURNISH THE FOLLOWING INFORMATION

AS TO EACH CLASS OF SECURITIES OF SUCH UNDERWRITER ANY OF WHICH ARE SO OWNED OR HELD BY THE TRUSTEE:

Not applicable - see answer to item 13.

10. OWNERSHIP OR HOLDINGS BY THE TRUSTEE OF VOTING SECURITIES OF CERTAIN AFFILIATES OR SECURITY HOLDERS OF THE OBLIGOR.

IF THE TRUSTEE OWNS BENEFICIALLY OR HOLDS AS COLLATERAL SECURITY FOR OBLIGATIONS IN DEFAULT VOTING SECURITIES OF A PERSON WHO, TO THE KNOWLEDGE OF THE TRUSTEE (1) OWNS 10 PERCENT OR MORE OF THE VOTING STOCK OF THE OBLIGOR OR (2) IS AN AFFILIATE, OTHER THAN A SUBSIDIARY, OF THE OBLIGOR, FURNISH THE FOLLOWING INFORMATION AS TO THE VOTING SECURITIES OF SUCH PERSON:

Not applicable - see answer to item 13.

11. OWNERSHIP OR HOLDINGS BY THE TRUSTEE OF ANY SECURITIES OF A PERSON OWNING 50 PERCENT OR MORE OF THE VOTING SECURITIES OF THE OBLIGOR.

IF THE TRUSTEE OWNS BENEFICIALLY OR HOLDS AS COLLATERAL SECURITY FOR OBLIGATIONS IN DEFAULT ANY SECURITIES OF A PERSON WHO, TO THE KNOWLEDGE OF THE TRUSTEE, OWNS 50 PERCENT OR MORE OF THE VOTING SECURITIES OF THE OBLIGOR, FURNISH THE FOLLOWING INFORMATION AS TO EACH CLASS OF SECURITIES OF SUCH PERSON ANY OF WHICH ARE SO OWNED OR HELD BY THE TRUSTEE:

Not applicable - see answer to item 13.

12. INDEBTEDNESS OF THE OBLIGOR TO THE TRUSTEE.

EXCEPT AS NOTED IN THE INSTRUCTIONS, IF THE OBLIGOR IS INDEBTED TO THE TRUSTEE, FURNISH THE FOLLOWING INFORMATION:

Not applicable - see answer to item 13.

13. DEFAULTS BY THE OBLIGOR.

(a) STATE WHETHER THERE IS OR HAS BEEN A DEFAULT WITH RESPECT TO THE SECURITIES UNDER THIS INDENTURE. EXPLAIN THE NATURE OF ANY SUCH DEFAULT.

None.

(b) IF THE TRUSTEE IS A TRUSTEE UNDER ANOTHER INDENTURE UNDER WHICH ANY OTHER SECURITIES, OR CERTIFICATES OF INTEREST OR PARTICIPATION IN ANY OTHER SECURITIES, OF THE OBLIGOR ARE

OUTSTANDING, OR IS TRUSTEE FOR MORE THAN ONE OUTSTANDING SERIES OF SECURITIES UNDER THE INDENTURE, STATE WHETHER THERE HAS BEEN A DEFAULT UNDER ANY SUCH INDENTURE OR SERIES, IDENTIFY THE INDENTURE OR SERIES AFFECTED, AND EXPLAIN THE NATURE OF ANY SUCH DEFAULT.

None.

14. AFFILIATIONS WITH THE UNDERWRITERS.

IF ANY UNDERWRITER IS AN AFFILIATE OF THE TRUSTEE, DESCRIBE EACH SUCH AFFILIATION.

Not applicable - see answer to item 13.

15. FOREIGN TRUSTEE.

IDENTIFY THE ORDER OR RULE PURSUANT TO WHICH THE TRUSTEE IS AUTHORIZED TO ACT AS SOLE TRUSTEE UNDER INDENTURES QUALIFIED OR TO BE QUALIFIED UNDER THE ACT.

Not applicable - trustee is a national banking association organized under the laws of the United States.

16. LIST OF EXHIBITS.

LIST BELOW ALL EXHIBITS FILED AS PART OF THIS STATEMENT OF ELIGIBILITY.

X	1.	Copy of Articles of Association of the trustee as now in effect.
	2.	Copy of the Certificate of the Comptroller of the Currency dated January 11, 1994, evidencing the authority of the trustee to transact business.*
	3.	Copy of the authorization of the trustee to exercise fiduciary powers.*
X	4.	Copy of existing by-laws of the trustee.
	5.	Copy of each indenture referred to in Item 4, if the obligor is in default, not applicable.
X	6.	Consent of the trustee required by Section 321(b) of the Act.

X 7. Copy of report of condition of the trustee at the close of business on
- --- September 30, 1994, published pursuant to the requirements of its supervising authority.

8. Copy of any order pursuant to which the foreign trustee is authorized
- --- to act as sole trustee under indentures qualified or to be qualified under the Act, not applicable.

9. Consent to service of process required of foreign trustees pursuant to
- --- Rule 10a-4 under the Act, not applicable.

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*Previously filed with the Securities and Exchange Commission on February 11, 1994 as an exhibit to Form T-1 in connection with Registration Statement No. 22-73340 and incorporated herein by reference.

NOTE

The trustee disclaims responsibility for the accuracy or completeness of information contained in this Statement of Eligibility and Qualification not known to the trustee and not obtainable by it through reasonable investigation and as to which information it has obtained from the obligor and has had to rely or will obtain from the principal underwriters and will have to rely.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, the trustee, First Fidelity Bank, National Association, a national banking association organized and existing under the laws of the United States of America, has duly caused this Statement of Eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Elkton and State of Maryland, on the 12th day of January 1995.

FIRST FIDELITY BANK, NATIONAL ASSOCIATION

By: /s/ JOHN H. CLAPHAM

John H. Clapham
Assistant Vice President

FIRST FIDELITY BANK, NATIONAL ASSOCIATION

ARTICLES OF ASSOCIATION

(EFFECTIVE NOVEMBER 29, 1994)

For purposes of organizing an Association to carry on the business of banking under the laws of the United States, the undersigned do enter into the following Articles of Association:

FIRST. The title of this Association shall be First Fidelity Bank, National Association.

SECOND. The Main Office of the Association shall be in Elkton, County of Cecil, State of Maryland. The general business of the Association shall be conducted at its main office and its branches.

THIRD. The Board of Directors of this Association shall consist of not less than five nor more than twenty-five persons, the exact number to be fixed and determined from time to time by resolution of a majority of the full Board of Directors or by resolution of the shareholders at any annual or special meeting thereof. Each Director, during the full term of his directorship, shall own a minimum of (a) $1,000 par value of stock of this Association or (b) preferred or common stock of First Fidelity Bancorporation having (i) aggregate par value equal to or greater than $1,000, (ii) aggregate shareholders' equity equal to or greater than $1,000 or (iii) aggregate fair market value equal to or greater than $1,000. Any vacancy in the Board of Directors may be filled by action of the Board of Directors.

FOURTH. There shall be an annual meeting of the shareholders the purpose of which shall be the election of Directors and the transaction of whatever other business may be brought before said meeting. It shall be held at the main office or other convenient place as the Board of Directors may designate, on the day of each year specified therefor in the By-laws, but if no election is held on that day, it may be held on any subsequent day according to such lawful rules as may be presented by the Board of Directors.

FIFTH. (A) General. The amount of capital stock of this Association shall be (i) 25,000,000 shares of common stock of the par value of twenty dollars ($20.00) each (the "Common Stock") and (ii) 160,540 shares of preferred stock of the par value of one dollar ($1.00) each (the "Non-Cumulative Preferred Stock"), having the rights, privileges and preferences set forth below, but said capital stock may be increased or decreased from time to time in accordance with the provisions of the laws of the United States.

(B) Terms of the Non-Cumulative Preferred Stock.

1. General. Each share of Non-Cumulative Preferred Stock shall be identical in all respects with the other shares of Non-Cumulative Preferred Stock. The authorized number of shares of Non-Cumulative Preferred Stock may from time to time be increased or decreased (but not below the number then outstanding) by the Board of Directors. Shares of Non-Cumulative Preferred Stock redeemed by the Association shall be canceled and shall revert to authorized but unissued shares of Non-Cumulative Preferred Stock.

2. Dividends.

(a) General. The holders of Non-Cumulative Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors, but only out of funds legally available therefor, non-cumulative cash dividends at the annual rate of $83.75 per share, and no more, payable quarterly on the first days of December, March, June and September, respectively, in each year with respect to the quarterly dividend period (or portion thereof) ending on the day preceding such respective dividend payment date, to shareholders of record on the respective date, not exceeding fifty days preceding such dividend payment date, fixed for that purpose by the Board of Directors in advance of payment of each particular dividend. Notwithstanding the foregoing, the cash dividend to be paid on the first dividend payment date after the initial issuance of Non-Cumulative Preferred Stock and on any dividend payment date with respect to a partial dividend period shall be $83.75 per share multiplied by the fraction produced by dividing the number of days since such initial issuance or in such partial dividend period, as the case may be, by 360.

(b) Non-cumulative Dividends. Dividends on the shares of Non-Cumulative Stock shall not be cumulative and no rights shall accrue to the holders of shares of Non-Cumulative Preferred Stock by reason of the fact that the Association may fail to declare or pay dividends on the shares of Non-Cumulative Preferred Stock in any amount in any quarterly dividend period, whether or not the earnings of the Association in any quarterly dividend period were sufficient to pay such dividends in whole or in part, and the Association shall have no obligation at any time to pay any such dividend.

(c) Payment of Dividends. So long as any share of Non-Cumulative Preferred Stock remains outstanding, no dividend whatsoever shall be paid or declared and no distribution made on any junior stock other than a dividend payable in junior stock, and no shares of junior stock shall be purchased, redeemed or otherwise acquired for consideration by the Association, directly or indirectly (other than as a result of a reclassification of junior stock, or the exchange or conversion of one junior stock for or into another junior stock, or other than through the use of the proceeds of a substantially contemporaneous sale of other junior stock), unless all dividends on all shares of Non-Cumulative Preferred Stock and non-cumulative Preferred Stock ranking on a parity as

to dividends with the shares of Non-Cumulative Preferred Stock for the most recent dividend period ended prior to the date of such payment or declaration shall have been paid in full and all dividends on all shares of cumulative Preferred Stock ranking on a parity as to dividends with the shares of Non-Cumulative Stock (notwithstanding that dividends on such stock are cumulative) for all past dividend periods shall have been paid in full. Subject to the foregoing, and not otherwise, such dividends (payable in cash, stock or otherwise) as may be determined by the Board of Directors may be declared and paid on any junior stock from time to time out of any funds legally available therefor, and the Non-Cumulative Preferred Stock shall not be entitled to participate in any such dividends, whether payable in cash, stock or otherwise. No dividends shall be paid or declared upon any shares of any class or series of stock of the Association ranking on a parity (whether dividends on such stock are cumulative or non-cumulative) with the Non-Cumulative Preferred Stock in the payment of dividends for any period unless at or prior to the time of such payment or declaration all dividends payable on the Non-Cumulative Preferred Stock for the most recent dividend period ended prior to the date of such payment or declaration shall have been paid in full. When dividends are not paid in full, as aforesaid, upon the Non-Cumulative Preferred Stock and any other series of Preferred Stock ranking on a parity as to dividends (whether dividends on such stock are cumulative or non-cumulative) with the Non-Cumulative Preferred Stock, all dividends declared upon the Non-Cumulative Preferred Stock and any other series of Preferred Stock ranking on a parity as to dividends with the Non-Cumulative Preferred Stock shall be declared pro rata so that the amount of dividends declared per share on the Non-Cumulative Preferred Stock and such other Preferred Stock shall in all cases bear to each other the same ratio that accrued dividends per share on the Non-Cumulative Preferred Stock (but without any accumulation in respect of any unpaid dividends for prior dividend periods on the shares of Non-Cumulative Stock) and such other Preferred Stock bear to each other. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on the Non-Cumulative Preferred Stock which may be in arrears.

3. Voting. The holders of Non-Cumulative Preferred Stock shall not have any right to vote for the election of directors or for any other purpose.

4. Redemption.

(a) Optional Redemption. The Association, at the option of the Board of Directors, may redeem the whole or any part of the shares of Non-Cumulative Preferred Stock at the time outstanding, at any time or from time to time after the fifth anniversary of the date of original issuance of the Non-Cumulative Preferred Stock, upon notice given as hereinafter specified, at the redemption price per share equal to $1,000 plus an amount equal to the amount of accrued and unpaid dividends from the immediately preceding dividend payment date (but without any accumulation for unpaid dividends for prior dividend periods on the shares of Non-Cumulative Preferred Stock) to the redemption date.

(b) Procedures. Notice of every redemption of shares of Non-Cumulative Preferred Stock shall be mailed by first class mail, postage prepaid, addressed to the holders of record of the shares to be redeemed at their respective last addresses as they shall appear on the books of the Association. Such mailing shall be at least 10 days and not more than 60 days prior to the date fixed for redemption. Any notice which is mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the shareholder receives such notice, and failure duly to give such notice by mail, or any defect in such notice, to any holder of shares of Non-Cumulative Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Non-Cumulative Preferred Stock.

In case of redemption of a part only of the shares of Non-Cumulative Preferred Stock at the time outstanding the redemption may be either pro rata or by lot or by such other means as the Board of Directors of the Association in its discretion shall determine. The Board of Directors shall have full power and authority, subject to the provisions herein contained, to prescribe the terms and conditions upon which shares of the Non-Cumulative Preferred Stock shall be redeemed from time to time.

If notice of redemption shall have been duly given, and, if on or before the redemption date specified therein, all funds necessary for such redemption shall have been set aside by the Association, separate and apart from its other funds, in trust for the pro rata benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, then, notwithstanding that any certificate for shares so called for redemption shall not have been surrendered for cancellation, all shares so called for redemption shall no longer be deemed outstanding on and after such redemption date, and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on redemption thereof, without interest.

If such notice of redemption shall have been duly given or if the Association shall have given to the bank or trust company hereinafter referred to irrevocable authorization promptly to give such notice, and, if on or before the redemption date specified therein, the funds necessary for such redemption shall have been deposited by the Association with such bank or trust company in trust for the pro rata benefit of the holders of the shares called for redemption, then, notwithstanding that any certificate for shares so called for redemption shall not have been surrendered for cancellation, from and after the time of such deposit, all shares so called for redemption shall no longer be deemed to be outstanding and all rights with respect to such shares shall forthwith cease and terminate, except only the right of the holders thereof to receive from such bank or trust company at any time after the time of such deposit the funds so deposited, without interest. The aforesaid bank or trust company shall be organized and in good standing under the laws of the United States of America or any state thereof, shall have capital, surplus and undivided profits aggregating at least $50,000,000 according to its last published statement of condition, and shall be identified

in the notice of redemption. Any interest accrued on such funds shall be paid to the Association from time to time. In case fewer than all the shares of Non-Cumulative Preferred Stock represented by a stock certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without cost to the holder thereof.

Any funds so set aside or deposited, as the case may be, and unclaimed at the end of the relevant escheat period under applicable state law from such redemption date shall, to the extent permitted by law, be released or repaid to the Association, after which repayment the holders of the shares so called for redemption shall look only to the Association for payment thereof.

5. Liquidation.

(a) Liquidation Preference. In the event of any voluntary liquidation, dissolution or winding up of the affairs of the Association, the holders of Non-Cumulative Preferred Stock shall be entitled, before any distribution or payment is made to the holders of any junior stock, to be paid in full an amount per share equal to an amount equal to $1,000 plus an amount equal to the amount of accrued and unpaid dividends per share from the immediately preceding dividend payment date (but without any accumulation for unpaid dividends for prior dividend periods on the shares of Non-Cumulative Preferred Stock) per share to such distribution or payment date (the "liquidation amount").

In the event of any involuntary liquidation, dissolution or winding up of the affairs of the Association, then, before any distribution or payment shall be made to the holders of any junior stock, the holders of Non-Cumulative Preferred Stock shall be entitled to be paid in full an amount per share equal to the liquidation amount.

If such payment shall have been made in full to all holders of shares of Non-Cumulative Preferred Stock, the remaining assets of the Association shall be distributed among the holders of junior stock, according to their respective rights and preferences and in each case according to their respective numbers of shares.

(b) Insufficient Assets. In the event that, upon any such voluntary or involuntary liquidation, dissolution or winding up, the available assets of the Association are insufficient to pay such liquidation amount on all outstanding shares of Non-Cumulative Preferred Stock, then the holders of Non-Cumulative Preferred Stock shall share ratably in any distribution of assets in proportion to the full amounts to which they would otherwise be respectively entitled.

(c) Interpretation. For the purposes of this paragraph 5, the consolidation or merger of the Association with any other corporation or association shall not be deemed to constitute a liquidation, dissolution or winding up of the Association.

6. Preemptive Rights. The Non-Cumulative Preferred Stock is not entitled to any preemptive, subscription, conversion or exchange rights in respect of any securities of the Association.

7. Definitions. As used herein with respect to the Non-Cumulative Preferred Stock, the following terms shall have the following meanings:

(a) The term "junior stock" shall mean the Common Stock and any other class or series of shares of the Association hereafter authorized over which the Non-Cumulative Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of the Association.

(b) The term "accrued dividends", with respect to any share of any class or series, shall mean an amount computed at the annual dividend rate for the class or series of which the particular share is a part, from, if such share is cumulative, the date on which dividends on such share became cumulative to and including the date to which such dividends are to be accrued, less the aggregate amount of all dividends theretofore paid thereon and, if such share is non-cumulative, the relevant date designated to and including the date to which such dividends are accrued, less the aggregate amount of all dividends theretofore paid with respect to such period.

(c) The term "Preferred Stock" shall mean all outstanding shares of all series of preferred stock of the Association as defined in this Article Fifth of the Articles of Association, as amended, of the Association.

8. Restriction on Transfer. No shares of Non-Cumulative Preferred Stock, or any interest therein, may be sold, pledged, transferred or otherwise disposed of without the prior written consent of the Association. The foregoing restriction shall be stated on any certificate for any shares of Non-Cumulative Preferred Stock.

9. Additional Rights. The shares of Non-Cumulative Preferred Stock shall not have any relative, participating, optional or other special rights and powers other than as set forth herein.

SIXTH. The Board of Directors shall appoint one of its members President of this Association, who shall be Chairperson of the Board, unless the Board appoints another director to be the Chairperson. The Board of Directors shall have the power to appoint one or more Vice Chairmen and Vice Presidents and such other officers and employees as may be required to transact the business of this Association.

The Board of Directors shall have the power to define the duties of the officers and employees of the Association; to fix the salaries to be paid to them; to

dismiss them; to require bonds from them and to fix the penalty thereof; to regulate the manner in which any increase of the capital of the Association shall be made; to manage and administer the business and affairs of the Association; to make all By-laws that it may be lawful for them to make; and generally to do and perform all acts that it may be legal for a Board of Directors to do and perform.

SEVENTH. The Board of Directors shall have the power to change the location of the main office to any other place permitted by law, but subject to the approval of the Comptroller of the Currency; and shall have the power to establish or change the location of any branch or branches of the Association to any other location, without the approval of the shareholders, but subject to the approval of the Comptroller of the Currency.

EIGHTH. The corporate existence of this Association shall continue until terminated in accordance with the laws of the United States.

NINTH. The Board of Directors of this Association, or any one or more shareholders owning, in the aggregate, not less than 25 percent of the stock of this Association, may call a special meeting of shareholders at any time. Unless otherwise provided by the laws of the United States, a notice of the time, place, and purpose of every annual and special meeting of the shareholders shall be given by first-class mail, postage prepaid, mailed at least ten days prior to the date of such meeting, to each shareholder of record at his address as shown upon the books of this Association.

TENTH. (A) Indemnification of Directors.

The Association shall, to the fullest extent permitted by applicable banking, corporate and other law and regulation, indemnify any person who is or was a director of the Association from and against any and all expenses, liabilities or other losses arising in connection with any action, suit, appeal or other proceeding, by reason of the fact that such person is or was serving as a director of the Association and may, to the fullest extent permitted by applicable banking, corporate and other law and regulation, advance monies to such persons for expenses incurred in defending any such action, suit, appeal or other proceeding on such terms as the Association's Board of Directors shall determine and as are required by applicable banking, corporate and other law or regulation or interpretation by the applicable banking regulators. The Association may purchase insurance for the purpose of indemnifying such persons and/or reimbursing the Association upon payment of indemnification to such persons to the extent that indemnification is authorized by the preceding sentences, except that insurance coverage and corporate indemnification shall not be available in connection with a formal order by a court or judicial or governmental body assessing civil money penalties against such person or in the event that such coverage or indemnification would be prohibited by applicable banking, corporate and other law or regulation.

(B) Indemnification of Officers, Employees and Agents.

The Association shall indemnify any person who is or was an officer, employee or agent of the Association or who is or was a director, general partner, trustee or principal of another entity serving as such at the request of the Association from and against any and all expenses, liabilities or other losses arising in connection with any action, suit, appeal or other proceeding, by reason of the fact that such person is or was serving as an officer, employee or agent of the Association or as a director of another entity at the request of the Association, to the extent authorized by the corporate policy of the Association, as adopted and modified from time to time by the shareholders of the Association, except to the extent that such indemnification would be prohibited by applicable banking, corporate and other law or regulation. The Association may advance monies to such persons for expenses incurred in defending any such action, suit, appeal or other proceeding in accordance with the corporate policy of the Association, as adopted and modified from time to time by the shareholders of the Association, under such terms and procedures as are required by applicable banking, corporate and other law or regulation or interpretation by the applicable banking regulators, except to the extent that such advancement would be prohibited by applicable banking, corporate and other law or regulation. The Association may purchase insurance for the purpose of indemnifying such persons and/or reimbursing the Association upon payment of indemnification to such person to the extent that indemnification is authorized by the preceding sentence, except that insurance coverage and corporate indemnification shall not be available in connection with a formal order by a court or judicial or governmental body assessing civil money penalties against such person or in the event that such coverage or indemnification would be prohibited by applicable banking, corporate and other law or regulation.

ELEVENTH. These Articles of Association may be amended at any regular or special meeting of the shareholders by the affirmative vote of the holders of a majority of the stock of this Association, unless the vote of the holders of a greater amount of stock is required by law, and in that case by the vote of the holders of such greater amount.

FIRST FIDELITY BANK, NATIONAL ASSOCIATION

BYLAWS

ADOPTED: JANUARY 10, 1994

ARTICLE I
Meetings of Shareholders

Section 1.1. Annual Meeting. The regular annual meeting of the shareholders for the election of directors and transaction of whatever other business may properly come before the meeting, shall be held at the Main Office of the Association, or such other place as the Board of Directors may designate, at 10:00 A.M., on the second Thursday of May of each year or such other time within 90 days as may be set by the Board of Directors. If, from any cause, an election of directors is not made on the said day, the Board of Directors shall order the election to be held on some subsequent day, as soon thereafter as practicable, according to the provisions of the law; and notice thereof shall be given in the manner herein provided for the annual meeting.

Section 1.2. Special Meetings. Except as otherwise specifically provided by statute, special meetings of the shareholders may be called for any purpose at any time by the Board of Directors or by any one or more shareholders owning, in the aggregate, not less than twenty-five percent of the stock of the Association.

Section 1.3. Notice of Meetings. Notice of Annual and Special meetings shall be mailed, postage prepaid, at least ten

days prior to the date thereof, addressed to each shareholder at his address appearing on the books of the Association; but any failure to mail such notice, or any irregularity therein, shall not affect the validity of such meeting, or of any of the proceedings thereat. A shareholder may waive any such notice.

Section 1.4. Organization of Meetings. The Chairman shall preside at all meetings of shareholders. In his absence, the President, or a director designated by the Chairman shall preside at such meeting.

Section 1.5. Proxies. Shareholders may vote at any meeting of the shareholders by proxies duly authorized in writing. Proxies shall be valid only for one meeting to be specified therein, and any adjournments of such meeting. Proxies shall be dated and shall be filed with the records of the meeting.

Section 1.6. Quorum. A majority of the outstanding capital stock, represented in person or by proxy, shall constitute a quorum at any meeting of shareholders, unless otherwise provided by law. A majority of the votes cast shall decide every question or matter submitted to the shareholders at any meeting, unless otherwise provided by law or by the Articles of Association.

ARTICLE II
Directors

Section 2.1. Board of Directors. The Board of Directors (hereinafter referred to as the "Board"), shall have power to

manage and administer the business and affairs of the Association. Except as expressly limited by law, all corporate powers of the Association shall be vested in and may be exercised by said Board.

Section 2.2. Number. The Board shall consist of not less than five nor more than twenty-five shareholders, the exact number within such minimum and maximum limits to be fixed and determined from time to time by resolution of a majority of the full Board or by resolution of the shareholders at any meeting thereof; provided, however, that a majority of the full Board may not increase the number of directors to a number which: (a) exceeds by more than two the number of directors last elected by shareholders where such number was fifteen or less; and (b) to a number which exceeds by more than four the number of directors last elected by shareholders where such number was sixteen or more, but in no event shall the number of directors exceed twenty-five.

Section 2.3. Organization Meeting. A meeting shall be held for the purpose of organizing the new Board and electing and appointing officers of the Association for the succeeding year on the day of the Annual Meeting of Shareholders or as soon thereafter as practicable, and, in any event, within thirty days thereof. If, at the time fixed for such meeting, there shall not be a quorum present, the directors present may adjourn the meeting, from time to time, until a quorum is obtained.

Section 2.4. Regular Meetings. The regular meetings of the Board shall be held on such days and time as the directors may, by resolution, designate; and written notice of any change thereof

shall be sent to each member. When any regular meeting of the Board falls upon a legal holiday, the meeting shall be held on such other day as the Board may designate.

Section 2.5. Special Meetings. Special meetings of the Board may be called by the Chairman of the Board, or President, or at the request of three or more directors. Each director shall be given notice of each special meeting, except the organization meeting, at least one day before it is to be held by facsimile, telegram, letter or in person. Any director may waive any such notice.

Section 2.6. Quorum. A majority of the directors shall constitute a quorum at any meeting, except when otherwise provided by law; but a less number may adjourn any meeting, from time to time, and the meeting may be held, as adjourned without further notice.

Section 2.7. Term of Office and Vacancy. Directors shall hold office for one year and until their successors are elected and have qualified. No person shall stand for election as a director of this Association if at the date of his election he will have passed his seventieth birthday; provided, however, this prohibition shall not apply to persons who are active officers of this Association, an affiliate bank, or its parent corporation, or a former chief executive officer of the Association. No person, who is not an officer or former officer of this Association, an affiliate bank, or its parent corporation and who has discontinued the principal position or activity the person held when initially elected, shall be recommended to the shareholders for reelection;

provided, however, that exceptions may be made because of a change in principal position or activity which would be compatible with continued service to this Association. No person elected as a director may exercise any of the powers of his office until he has taken the oath of office as prescribed by law. When any vacancy occurs among the directors, the remaining members of the Board, in accordance with the laws of the United States, may appoint a director to fill such vacancy at any regular meeting of the Board, or at a special meeting called for that purpose.

Section 2.8. Nominations. Nominations for election to the Board may be made by the Executive Committee or by any stockholder of any outstanding class of capital stock of the Association entitled to vote for the election of directors.

Section 2.9. Communications Equipment. Any or all directors may participate in a meeting of the Board by means of conference telephone or any means of communication by which all persons participating in the meeting are able to hear each other.

Section 2.10. Action Without Meeting. Any action required or permitted to be taken by the Board or committee thereof by law, the Association's Articles of Association, or these Bylaws may be taken without a meeting, if, prior or subsequent to the action, all members of the Board or committee shall individually or collectively consent in writing to the action. Each written consent or consents shall be filed with the minutes of the proceedings of the Board or committee. Action by written consent shall have the same force and effect as a unanimous vote of the

directors, for all purposes. Any certificate or other documents which relates to action so taken shall state that the action was taken by unanimous written consent of the Board or committee without a meeting.

ARTICLE III
Committees of the Board

Section 3.1. Executive Committee. The Board may by resolution adopted by a majority of the entire Board designate an Executive Committee consisting of the Chairman of the Board, the President, and not less than two other directors. Subject to the national banking laws and the Association's Articles of Association, the Executive Committee may exercise all the powers of the Board of Directors with respect to the affairs of the Association, except that the Executive Committee may not:

1. (a) exercise such powers while a quorum of the Board of Directors is actually convened for the conduct of business,

   (b) exercise any power specifically required to be exercised by at least a majority of all the directors,

   (c) act on matters committed by the Bylaws or resolution of the Board of Directors to another committee of the board, or

   (d) amend or repeal any resolution theretofore adopted

by the Board of Directors which by its terms is amendable or repealable only by the Board;

2. amend the Articles of Association or make, alter or repeal any Bylaw of the Association;

3. elect or appoint any director, create or fill any vacancies in the Board of Directors or remove any director, or authorize or approve any change in the compensation of any officer of the Association who is also a director of the Association;

4. authorize or approve issuance or sale or contract for sale of shares of stock of the Association, or determine the designation and relative rights, preferences and limitations of a class or series of shares;

5. adopt an agreement of merger or consolidation, or submit to shareholders any action that requires shareholder approval, including any recommendation to the shareholders concerning the sale, lease or exchange of all or substantially all the Association's property and assets, a dissolution of the Association or a revocation of a previously approved dissolution; or

6. authorize an expenditure by the Association in excess of $10 million for any one item or group of related items.

The committee shall hold regular meetings at such times as the members shall agree and whenever called by the chairman of the committee. A majority of the committee shall constitute a quorum for the transaction of business. The committee shall keep a record

of its proceedings and shall report these proceedings to the Board at the regular meetings thereof. The committee shall serve as the nominating committee for nominations to the Board. The committee shall provide oversight on all Community Reinvestment Act ("CRA") matters pertaining to the Association. The committee shall also be responsible for monitoring the CRA activities of the Association on an on-going basis and making periodic reports on such CRA activity to the Board.

Section 3.2. Chairman of the Executive Committee. The Board may designate one of its members to be Chairman of the Executive Committee who shall preside at the meetings thereof and shall perform such duties as the Board shall assign to him from time to time.

Section 3.3. Audit Committee. The Board shall appoint a committee of three or more persons exclusive of the officers of this Association which committee shall be known as the Audit Committee. It shall be the duty of this committee at least once in every twelve months to examine the affairs of the Association, and determine whether it is in a sound and solvent condition and to recommend to the Board such changes in the manner of doing business, etc., as may seem to be desirable. The committee may cause such examination to be made in its behalf and under its supervision by outside accountants and may also use the services of any other persons either inside or outside the Association to assist in its work. The results of each examination shall be reported in writing to the Board.

Section 3.4. Audit of Trust Department. The Audit Committee shall, at least once during each calendar year and within fifteen months of the last such audit make suitable audits of the Trust Department or cause suitable audits to be made by auditors responsible only to the Board, and at such time shall ascertain whether the department has been administered in accordance with law, Part 9 of the Regulations of the Comptroller of the Currency, and sound fiduciary principles. In lieu of such periodic audit the Audit Committee, at the election of the Board, may conduct or cause to be conducted by auditors responsible only to the Board an adequate continuous audit system adopted by the Board. A written report of such periodic or continuous audit shall be made to the Board.

Section 3.5. Other Committees. The Board may appoint from time to time other committees composed of one or more persons each, for such purposes and with such powers as the Board may determine. The Chairman of the Board shall have the power to designate another person to serve on any committee during the absence or inability of any member thereof so to serve.

Section 3.6. Directors' Emeritus. The Board may designate one or more persons to serve as Director Emeritus. Such Director Emeritus shall have the right to attend any and all meetings of the Board, but shall have no vote at such meetings. A person designated as Director Emeritus may serve in that capacity for a period of three years.

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Section 3.7. Alternate Committee Members. The Board may, from time to time, appoint one or more, but no more than three persons to serve as alternate members of a committee, each of whom shall be empowered to serve on that committee in place of a regular committee member in the event of the absence or disability of that committee member. An alternate committee member shall, when serving on a committee, have all of the powers of a regular committee member. Alternate committee members shall be notified of, and requested to serve at, a particular meeting or meetings, or for particular periods of time, by or at the direction of the chairman of the committee or the Chairman of the Board.

ARTICLE IV
Officers

Section 4.1a. Appointment. The senior officers of this Association shall be chosen by the Board and shall be the Chairman of the Board, one or more Vice Chairmen, the President, and the Chief Financial Officer and such other officers as in the judgment of the Board may be from time to time required. The Chairman of the Board and the President shall be chosen from the Directors. The Board may designate a person to serve as secretary of all meetings of the Board and of the shareholders and the persons so designated shall keep accurate minutes of such meetings.

Section 4.1b. Other Officers. The Board may by resolution authorize the President to appoint other officers with such titles and duties as he may designate.

4.2. Term of Office. The officers who are required by the articles of association or the bylaws to be members of the Board shall hold their respective offices until the Organization meeting of the Board following the annual meeting of shareholders or until their respective successors shall have been elected, unless they shall resign, become disqualified or be removed from office. Each other officer shall hold office at the pleasure of the Board. Any officer may be removed at any time by the Board.

Section 4.3. Chairman of the Board. The chairman of the board shall be designated as Chairman of the Board. He shall preside at all meetings of the stockholders and directors and he shall be a member of all committees of the Board except the Examining Committee. He shall have such other powers and perform such other duties as may be prescribed from time to time by the Board. He shall be subject only to the direction and control of the Board.

Section 4.4. President. The president shall be the chief executive officer of the Association and he shall be designated as President and Chief Executive Officer. In the absence of the Chairman the President shall preside at all meetings of the Board. The President shall be a member of each committee of the Board except the Examining Committee. He shall have the powers and

perform the duties conferred or imposed upon the President by the national banking laws, and he shall have such other powers and perform such other duties as may from time to time be imposed upon or assigned to him by the Board.

Section 4.5. Chief Financial Officer. The Chief Financial Officer shall have such title as may be designated by the Board and he shall be responsible for all monies, funds and valuables of this Association, provide for the keeping of proper records of all transactions of the Association, report to the Board at each regular meeting the condition of the Association, submit to the Board, when requested, a detailed statement of the income and expenses, be responsible for the conduct and efficiency of all persons employed under him, and perform such other duties as may be from time to time assigned to him by the Board.

Section 4.6. Other Officers. All other officers shall respectively exercise such powers and perform such duties as generally pertain to their several offices, or as may be conferred upon or assigned to them by the Board, the Chairman of the Board or the President.

Section 4.7. Bond. Each officer and employee, if so required by the Board, shall give bond with surety to be approved by the Board, conditioning for the honest discharge of his duties as such officer or employee. In the discretion of the Board, such bonds may be individual, schedule or blanket form, and the premiums may be paid by the Association.

ARTICLE V
Trust Department

Section 5.1. Trust Department. There shall be a department of the Association known as the Trust Department which shall perform the fiduciary responsibilities of the Association.

Section 5.2. Trust Officer. There shall be a Trust Officer of this Association whose duties shall be to manage, supervise and direct all the activities of the Trust Department. Such persons shall do or cause to be done all things necessary or proper in carrying on the business of the Trust Department in accordance with the provisions of law and applicable regulations; and shall act pursuant to opinion of counsel where such opinion is deemed necessary. Opinions of counsel shall be retained on file in connection with all important matters pertaining to fiduciary activities. The Trust Officer shall be responsible for all assets and documents held by the Association in connection with fiduciary matters. The Trust Officer shall perform such other duties and possess such other powers as from time to time shall be delegated to him by the Chief Executive Officer, the Board, the Executive Committee or these bylaws. The President may appoint such other officers of the Trust Department as it may deem necessary or advisable with such duties as may be assigned and with such titles as may be designated.

Section 5.3. Trust Investment. Funds held in a fiduciary capacity shall be invested in accordance with the instrument

establishing the fiduciary relationship and local law. Where such instrument does not specify the character and class of the investments to be made and does not vest in the Association a discretion in the matter, funds held pursuant to such instrument shall be invested in investments in which corporate fiduciaries may invest under local law.

ARTICLE VI
Stock Certificates and Transfers

Section 6.1. Stock Certificates. Ownership of capital stock of the Association shall be evidenced by certificates of stock signed by the Chairman or President, and the Secretary, or an Assistant Secretary. Each certificate shall state upon its face that the stock is transferable only upon the books of the Association by the holder thereof, or by duly authorized attorney, upon the surrender of such certificate, and shall meet the requirements of Section 5139, United States Revised Statutes, as amended.

Section 6.2. Transfers. The stock of this Association shall be assignable and transferable only on the books of this Association, subject to the restrictions and provisions of the national banking laws; and a transfer book shall be provided in which all assignments and transfers of stock shall be made. When stock is transferred, the certificates thereof shall be returned to

the Association, canceled, preserved and new certificates issued.

Section 6.3. Dividends. Dividends shall be paid to the shareholders in whose names the stock shall stand at the close of business on the day next preceding the date when the dividends are payable, provided, however, that the directors may fix another date as a record date for the determination of the shareholders entitled to receive payment thereof.

ARTICLE VII
Increase of Stock

7.1. Capital Stock. Shares of the capital stock of the Association, which have been authorized but not issued, may be issued from time to time for such consideration, not less than the par value thereof, as may be determined by the Board.

ARTICLE VIII
Corporate Seal

Section 8.1. Seal. The seal, an impression of which appears below, is the seal of the Association as adopted by the Board of Directors:

[Seal]

The Chairman of the Board, the Vice Chairman, the President, Senior Executive Vice President, Executive Vice President, Senior Vice President, Vice President, each Assistant Vice President, the Chief Financial Officer, the Secretary, each Assistant Secretary, each Trust Officer, each Assistant Trust Officer or each Assistant Cashier, shall have the authority to affix the corporate seal of this Association and to attest to the same.

ARTICLE IX
Miscellaneous Provisions

Section 9.1. Fiscal Year. The fiscal year of the Association shall be the calendar year.

Section 9.2. Execution of Instruments. All agreements, contracts, indentures, mortgages, deeds, conveyances, transfers, certificates, declarations, receipts, discharges, releases, satisfactions, settlements, petitions, schedules, accounts, affidavits, bonds, undertakings, proxies and other instruments or documents may be signed, executed, acknowledged, verified, delivered or accepted in behalf of the Association by the Chairman of the Board, or any Vice Chairman, or the President, or Senior Executive Vice President, or Executive Vice President, or Senior Vice President, or Vice President, or Assistant Vice President, or Chief Financial Officer, or the Secretary, or Assistant Secretary, or, if in connection with the exercise of fiduciary powers of the Association, by any of said officers or by any Trust Officer or

Assistant Trust Officer, to the extent authorized by the corporate policy of the Association, as adopted and modified from time to time. Any such instruments may also be executed, acknowledged, verified, delivered, or accepted in behalf of the Association in such other manner and by such other officers as the Board may from time to time direct.

Section 9.3. Records. The organization papers of this Association, the articles of association, the bylaws and any amendments thereto, the proceedings of all regular and special meetings of the shareholders and of the directors, the returns of the judges of elections, and the reports of the committees of directors shall be recorded in an appropriate minute book, and the minutes of each meeting shall be signed by the Secretary or any other officer appointed to act as secretary of the meeting.

Section 9.4. Banking Hours. This Association and its branch offices shall be open on such days and during such hours as shall be fixed from time to time by the Board.

Section 9.5. Voting Shares of Other Corporations. The Chairman, the Vice Chairman, President, or any Vice President are authorized to vote, represent and exercise on behalf of this Association all rights incident to any and all shares of stock of any other corporation standing in the name of the Association. The authority granted herein may be exercised by such officers in person or by proxy or by power of attorney duly executed by said officer.

ARTICLE X
Bylaws

Section 10.1. Inspection. A copy of the Bylaws, with all amendments thereto, shall at all times be kept in a convenient place at the Head Office of the Association, and shall be open for inspection to all shareholders, during banking hours.

Section 10.2. Amendments. These Bylaws may be changed or amended at any regular or special meeting of the Board by the vote of a majority of the Directors.

EXHIBIT 6

CONSENT OF TRUSTEE

Pursuant to the requirements of Section 321(b) of the Trust Indenture Act of 1939, and in connection with the proposed issue of Air Products and Chemical, Inc. we hereby consent that reports of examinations by Federal, State, Territorial or District authorities may be furnished by such authorities to the Securities and Exchange Commission upon request therefor.

FIRST FIDELITY BANK, NATIONAL ASSOCIATION

By: /s/ JOHN H. CLAPHAM

John H. Clapham
Assistant Vice President

Elkton, Maryland

January 12, 1995

EXHIBIT T-7

REPORT OF CONDITION

Consolidating domestic and foreign subsidiaries of the First Fidelity Bank, National Association of Salem in the state of New Jersey, at the close of business on September 30, 1994, published in response to call made by Comptroller of the Currency, under title 12, United States Code, Section 161. Charter Number 33869 Comptroller of the Currency Northeastern District.

STATEMENT OF RESOURCES AND LIABILITIES

ASSETS

	Thousand of Dollars
Cash and balance due from depository institutions:	
Noninterest-bearing balances and currency and coin	1,346,661
Interest-bearing balances	411,672
Securities	////////
Hold-to-maturity securities	3,235,557
Available-for-sale securities	3,287,987
Federal funds sold and securities purchased under agreements	/////////
to resell in domestic offices of the bank and of it	/////////
Edge and Agreement subsidiaries, and in IBFs:	/////////
Federal funds sold	12,494
Securities purchased under agreements to resell	325,542
Loans and lease financing receivables:	
Loan and leases, net of unearned income 18,895,117	
LESS: Allowance for loan and lease losses 502,752	
LESS: Allocated transfer risk reserve 0	
Loans and leases, net of unearned income, allowance, and reserve	18,392,365
Assets held in trading accounts	111,334
Premises and fixed assets (including capitalized leases)	338,489
Other real estate owned	125,867
Investment in unconsolidated subsidiaries and associated companies	///////// 12,646
Customer's liability to this bank on acceptances outstanding	202,327
Intangible assets	284,003
Other assets	733,174
Total assets	28,820,118

LIABILITIES

Deposits:	
In domestic offices	21,926,652
Noninterest-bearing 4,373,924	
Interest-bearing 17,552,728	
In foreign offices, Edge and Agreement subsidiaries, and IBFs	1,434,456
Noninterest-bearing 12,570	
Interest-bearing 1,421,886	
Federal funds purchased and securities sold under agreements to repurchase in domestic offices of the bank and of its Edge and Agreement subsidiaries, and IBFs	
Federal fund purchased	662,248
Securities sold under agreements to repurchase	1,259,079
Demand notes issued to the U.S. Treasury	0
Trading liabilities	0
Other borrowed money:	////////
With original maturity of one year or less	176,938
With original maturity of more than one year	740
Mortgage indebtedness and obligations under capitalized leases	6,963
Bank's liability on acceptances executed and outstanding	205,111
Subordinated notes and debentures	175,000
Other liabilities	452,172
Total liabilities	26,299,359
Limited-life preferred stock and related surplus	0

EQUITY CAPITAL

Perpetual preferred stock and related surplus	0
Common Stock	430,000
Surplus	985,034
Undivided profits and capital reserves	1,144,089
Net unrealized holding gains (losses) on available-for-sale	////////

securities	(38,364)
Cumulative foreign currency translation adjustments	0
Total equity capital	2,520,759
Total liabilities, limited-life preferred stock and equity capital	///////// 28,820,118