

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K  
CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT - OCTOBER 9, 1998  
(Date of earliest event reported)

ALLIEDSIGNAL INC.  
(Exact name of Registrant as specified in its Charter)

DELAWARE  
(State or other jurisdiction  
of incorporation)  
Number) 001-08974  
(Commission File Number) 22-2640650  
(I.R.S. Employer  
Identification

101 COLUMBIA ROAD, P.O. BOX 4000, MORRISTOWN, NEW JERSEY 07962-2497  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (973) 455-2000

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: Except for the historical information contained herein, the matters discussed in this current report are forward-looking statements which involve risks and uncertainties, including but not limited to economic, competitive, governmental and technological factors affecting the Registrant's operations, markets, products, services and prices, and other factors discussed herein and in the Registrant's other filings with the Securities and Exchange Commission.

ITEM 5. OTHER EVENTS.

Third Quarter 1998 Results of Operations

AlliedSignal Inc. (the "Company") issued a press release on October 15, 1998 reporting the following results of operations for the three-month and nine-month periods ending September 30, 1998:

AlliedSignal Inc.  
Consolidated Statement of Income (Unaudited)

(In millions except per share amounts)

	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	1998	1997	1998	1997
Net sales	\$3,741	\$3,657	\$11,256	\$10,562
Cost of goods sold	2,838	2,840	8,596	8,209
Selling, general and administrative expenses	396	394	1,200	1,145
Total costs and expenses	3,234	3,234	9,796	9,354
Income from operations	507	423	1,460	1,208
Equity in income of affiliated companies	19	44	82	140
Other income (expense)	(8)	14	(9)	62
Interest and other financial charges	(38)	(50)	(104)	(131)

Income before taxes on income	480	431	1,429	1,279
Taxes on income	151	139	450	423
	-----	-----	-----	-----
Net income	\$329	\$292	\$979	\$856
	=====	=====	=====	=====
Earnings per share of common stock -				
basic	\$0.59	\$0.52	\$1.74	\$1.51
	=====	=====	=====	=====
Earnings per share of common stock -				
assuming dilution	\$0.58	\$0.50	\$1.70	\$1.47
	=====	=====	=====	=====
Weighted average number of shares outstanding -				
basic	560	564	562	566
	=====	=====	=====	=====
Weighted average number of shares outstanding -				
assuming dilution	572	581	576	581
	=====	=====	=====	=====

AlliedSignal Inc.  
Segment Data  
-----  
(Dollars in Millions)

THREE MONTHS ENDED SEPTEMBER 30  
-----

	Net Sales		Net Income	
	1998	1997	1998	1997
	-----	-----	-----	-----
Aerospace Systems	\$1,242	\$1,080	\$162	\$101
Specialty Chemicals & Electronic Solutions	541	536	56	72
Turbine Technologies	900	771	68	52
Performance Polymers	436	509	45	46
Transportation Products	619	757	10	18
	-----	-----	-----	-----
Total Businesses	3,738	3,653	341	289
Corporate & Unallocated	3	4	(12)	3
	-----	-----	-----	-----
Total	\$3,741	\$3,657	\$329	\$292
	=====	=====	=====	=====

NINE MONTHS ENDED SEPTEMBER 30  
-----

	Net Sales		Net Income	
	1998	1997	1998	1997
	-----	-----	-----	-----
Aerospace Systems	\$3,576	\$2,919	\$401	\$245
Specialty Chemicals & Electronic Solutions	1,728	1,626	220	259
Turbine Technologies	2,641	2,242	184	160
Performance Polymers	1,494	1,507	147	104
Transportation Products	1,809	2,259	28	80
	-----	-----	-----	-----
Total Businesses	11,248	10,553	980	848

Corporate & Unallocated	8	9	(1)	8
	-----	-----	-----	-----
Total	\$11,256	\$10,562	\$979	\$856
	=====	=====	=====	=====

Computer programs and embedded computer chips that are not Year 2000 compliant are unable to distinguish between the calendar year 1900 and the calendar year 2000. The Company has recognized the need to ensure that its business operations will not be adversely affected by the upcoming calendar year 2000 and is cognizant of the time sensitive nature of the Year 2000 problem.

The Company has assessed how it may be impacted by the Year 2000 problem and is implementing a comprehensive plan to address all known aspects of the Year 2000 problem: information systems (both critical information systems, which are systems the failure of which could have a material effect on the Company's operations, and noncritical information systems), production and facilities equipment, products, customers and suppliers (both high-impact suppliers, which are those suppliers who would materially impact the Company's operations if they were unable to provide supplies or services on a timely basis, and other suppliers).

The Company has completed an inventory of information systems, production and facilities equipment, products, customers and suppliers that may potentially have a Year 2000 problem. The Company has assessed the impact of a Year 2000 problem with respect to its information systems, production and facilities equipment, products and suppliers identified in the inventory, and is currently assessing the impact of a Year 2000 problem with respect to its customers. Based on the results of the assessment, the Company prioritizes the various projects to remedy potential Year 2000 problems. The Company is developing and implementing plans to remediate known Year 2000 problems. Testing to ensure that the remediation is successfully completed is part of the remediation process. Because of the importance of addressing the Year 2000 problem, the Company expects to develop by the first quarter of 1999 contingency plans and trained specialist teams to implement such contingency plans to address any Year 2000 problems which are unexpected or are not remedied in a timely manner under the Company's remediation plans.

The following table sets forth the estimated dates for substantially completing assessment, development of remediation plans and remediation with respect to the various aspects of the Year 2000 problem:

	Assessment	Development of Remediation Plan	Remediation
Critical Information			
Systems	SC	SC	12/31/98
Other Information Systems	SC	SC	3/31/99
Production and Facilities			
Equipment	SC	11/15/98	3/31/99
Products	SC	SC	3/31/99
Customers	12/31/98	1/31/99	3/31/99
High Impact Suppliers	SC	12/31/98	3/31/99
Other Suppliers	SC	3/31/99	6/30/99

SC = Substantially Complete

The remediation plans for information systems involve a combination of software modification, upgrades and replacement. The remediation plans for production and facilities equipment involve a combination of software or hardware modification, upgrades and replacement, or changes to operating procedures to circumvent equipment failures caused by the Year 2000 problem. The remediation plans for products involve modifying software and/or hardware contained in products, or issuing service letters or other industry standard communications providing customers with instructions on correcting Year 2000 issues in the Company's products. The remediation plans for suppliers and customers involve obtaining information about the Year 2000 programs of suppliers and customers through surveys, meetings and other communication, the evaluation of the information received, and the development of appropriate responses. While the Company expects that development of remediation plans and remediation with respect to suppliers and customers will be completed by the dates set forth in the table above, the Company can provide no assurance that Year 2000 problems will be successfully corrected by suppliers and customers in a timely manner.

The Company's estimate of the total cost for Year 2000 compliance, based on the assessment to date plus estimates of remediation costs for customers not yet fully assessed, is approximately \$150 million, of which approximately \$71 million has been incurred through September 30, 1998. This estimate does not include the Company's potential share of costs for Year 2000 issues by partnerships and joint ventures in which the Company participates but is not the operator. Incremental spending has not been and is not expected to be material because most Year 2000 compliance

costs will be met with amounts that are normally budgeted for procurement and maintenance of the Company's information systems and production and facilities equipment. The redirection of spending from procurement of information systems and production and facilities equipment to implementation of Year 2000 compliance plans may in some instances delay productivity improvements.

The Company presently believes that the Year 2000 issue will not cause material operational problems for the Company. However, if the Company is not successful in identifying all material Year 2000 problems, or assessment and remediation of identified Year 2000 problems is not completed in a timely manner, there may be an interruption in, or failure of, certain normal business activities or operations. Such interruptions or failures could have a material adverse impact on the Company's consolidated results of operations, liquidity and financial condition, or on its relationships with customers, suppliers or others.

#### Revolving Credit Agreements

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Pursuant to a tender offer by PMA Acquisition Corporation, a Delaware corporation ("PMA") and wholly owned subsidiary of AlliedSignal Inc. ("AlliedSignal"), to purchase shares of common stock, without par value, of AMP Incorporated (the "Shares"), AlliedSignal on October 9, 1998 entered into a 364 Day Backstop Credit Agreement (the "Credit Agreement") by and among AlliedSignal, Bank of America NT&SA, Banque Nationale de Paris, Barclays Bank PLC, Citibank, N.A., Deutsche Bank AG and Morgan Guaranty Trust Company of New York (collectively, the "Lenders") and Citibank, N.A., as Agent. In accordance with the Credit Agreement, the Lenders agreed to lend to AlliedSignal and its designated subsidiaries up to \$900,000,000 to finance the acquisition of Shares pursuant to an initial tender offer for 20 million Shares (the "Initial Offer") by PMA and for general corporate purposes, including commercial paper backstop. On October 13, 1998, the Shares acquired in the Initial Offer for \$890,000,000 were paid by proceeds from sales of commercial paper.

Loans under the Credit Agreement are repayable 364 days after October 9, 1998 (the "Commitment Termination Date") unless AlliedSignal elects to convert the loans into a term loan (the "Term Loan Conversion Option"), in which case the loan will be repayable no later than the first anniversary of the Commitment Termination Date.

To the extent AlliedSignal elects to draw on this facility, loans outstanding under the Credit Agreement will bear interest at a rate based on (i) the base rate plus a margin of 0% or (ii) the Eurocurrency rate plus a margin ranging from (x) if AlliedSignal has not elected the Term Loan Conversion Option, 0.17% to 0.5% and (y) if AlliedSignal has elected the Term Loan Conversion Option, 0.225% to 0.7%, in each case, depending on AlliedSignal's long term senior unsecured non-credit enhanced debt rating.

On October 9, 1998, in anticipation of a possible tender offer for all of the remaining outstanding Shares (the "Offer"), AlliedSignal also signed commitments with Banque Nationale de Paris, Barclays Capital, the investment banking division of Barclays Bank PLC, Deutsche Bank Securities Inc., J.P. Morgan Securities Inc., NationsBanc Montgomery Securities LLC and Salomon Smith Barney Inc. (collectively, the "Arrangers") in connection with a 364 day revolving credit facility in the amount of \$7,000,000,000 (the "364 Day Facility") and a five year revolving credit facility in the amount of \$2,250,000,000 (the "5 Year Facility"). The purpose of these facilities is to finance the acquisition of Shares of the Company pursuant to the Offer and a proposed business combination with AMP Incorporated and for general corporate purposes, including commercial paper backstop. The Company intends to finance a portion of the approximately \$9,100,000,000 required to purchase the remaining outstanding Shares under the Offer by a combination of short, medium and possibly long-term borrowings in the private and public debt markets.

The Arrangers have committed to provide \$4,750,000,000 of the 364 Day Facility and the 5 Year Facility, subject to certain terms and conditions, including successful syndication of the balance of these facilities. The Arrangers have agreed to use best efforts to complete that syndication.

The 364 Day Facility has a term of 364 days, subject to the Company's ability to request extensions for additional 364 day periods. In addition, AlliedSignal may elect the Term Loan Conversion Option with respect to \$4,000,000,000 of loans under the 364 Day Facility on the same basis as that for the Credit Agreement. The 5 Year Facility has a term of five years.

It is currently anticipated that to the extent AlliedSignal elects to draw on the 364 Day Facility, loans thereunder will bear interest at (i) the base rate plus a margin of 0% and (ii) the Eurocurrency rate plus a margin ranging from (x) if AlliedSignal has not elected the Term Loan Conversion Option, 0.17% to 0.5% and (y) if AlliedSignal has elected the Term Loan Conversion Option, 0.225% to 0.7%, in each case depending on AlliedSignal's long term senior unsecured non-credit enhanced debt ratings.

It is currently anticipated that to the extent AlliedSignal elects to draw on the 5 Year Facility, loans thereunder will bear interest at (i) the base rate plus a margin of 0% and (ii) the Eurocurrency rate plus a margin ranging from 0.15% to 0.45%, depending on AlliedSignal's long term senior unsecured non-credit enhanced debt ratings.

It is anticipated that approximately \$1,500,000,000 of the indebtedness initially incurred by AlliedSignal in connection with the Initial Offer and the Offer will be repaid from the issuance of equity securities of AlliedSignal, approximately \$2,000,000,000 from the disposition of assets and the remainder from a combination of short, medium and long-term borrowings in the bank, private or public debt markets and from funds internally generated by AlliedSignal and its subsidiaries (including, after the acquisition of AMP Incorporated is consummated, cash flow of the surviving corporation). No final decisions have been made concerning the method AlliedSignal will employ to repay its initial borrowings incurred to consummate the Initial Offer and the Offer. These decisions, when made, will be based on AlliedSignal's review from time to time of the advisability of particular actions, as well as on prevailing interest rates, stock and debt markets and financial and other economic conditions. Furthermore, of course, there can be no assurance that AlliedSignal will be able to utilize any one or more of the repayment options or of the amount that will be available under any of them.

ITEM 7. EXHIBITS.

Exhibit No.	Description
- - - - -	- - - - -
99.1	364 Day Backstop Credit Agreement, dated as of October 9, 1998, by and among AlliedSignal Inc., Bank of America NT&SA, Banque Nationale de Paris, Barclays Bank PLC, Citibank, N.A., Deutsche Bank AG and Morgan Guaranty Trust Company of New York, as Lenders, and Citibank, N.A., as Agent.
99.2	Commitment Letter, dated as of October 9, 1998, by Banque Nationale de Paris, Barclays Capital, the investment banking division of Barclays Bank PLC, Deutsche Bank Securities Inc., J.P. Morgan Securities Inc., NationsBanc Montgomery Securities LLC and Salomon Smith Barney Inc., and Term Sheets relating to the aforementioned Commitment Letter.

SIGNATURE

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

Date: October 21, 1998

AlliedSignal Inc.  
(Registrant)

By: /s/ Peter Kreindler  
-----  
Peter Kreindler  
Senior Vice President,  
General Counsel and Secretary



EXHIBIT INDEX

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99.2	Commitment Letter, dated as of October 9, 1998, by Banque Nationale de Paris, Barclays Capital, the investment banking division of Barclays Bank PLC, Deutsche Bank Securities Inc., J.P. Morgan Securities Inc., NationsBanc Montgomery Securities LLC and Salomon Smith Barney Inc.

U.S. \$900,000,000

364-DAY BACKSTOP CREDIT AGREEMENT

Dated as of October 9, 1998

Among

ALLIEDSIGNAL INC.,

as Borrower,  
-----

and

THE INITIAL LENDERS NAMED HEREIN,

as Initial Lenders,  
-----

and

CITIBANK, N.A.,

as Agent  
-----

and

BANQUE NATIONALE DE PARIS  
BARCLAYS CAPITAL  
DEUTSCHE BANK SECURITIES INC.  
J.P. MORGAN SECURITIES INC.  
NATIONSBANK MONTGOMERY SECURITY LLC  
and  
SALOMON SMITH BARNEY INC.

as Arrangers  
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TABLE OF CONTENTS

	PAGE
ARTICLE I DEFINITIONS AND ACCOUNTING TERMS	
SECTION 1.01. Certain Defined Terms	1
SECTION 1.02. Computation of Time Periods	18
SECTION 1.03. Accounting Terms	18
ARTICLE II AMOUNTS AND TERMS OF THE ADVANCES	
SECTION 2.01. The Revolving Credit Advances	18
SECTION 2.02. Making the Revolving Credit Advances	19
SECTION 2.03. The Competitive Bid Advances	21
SECTION 2.04. Fees	26
SECTION 2.05. Termination or Reduction of the Commitments	27
SECTION 2.06. Repayment of Advances	29
SECTION 2.07. Interest on Revolving Credit Advances	30
SECTION 2.08. Interest Rate Determination	30
SECTION 2.09. Prepayments of Revolving Credit Advances	32
SECTION 2.10. Increased Costs	33
SECTION 2.11. Illegality	34
SECTION 2.12. Payments and Computations	35
SECTION 2.13. Taxes	36
SECTION 2.14. Sharing of Payments, Etc.	39
SECTION 2.15. Use of Proceeds	40
SECTION 2.16. Extension of Termination Date	40
SECTION 2.17. Evidence of Debt	42
ARTICLE III CONDITIONS TO EFFECTIVENESS AND LENDING	
SECTION 3.01. Conditions Precedent to Effectiveness of Sections 2.01 and 2.03	43
SECTION 3.02. Initial Loan to Each Designated Subsidiary	44
SECTION 3.03. Conditions Precedent to Each Revolving Credit Borrowing	45
SECTION 3.04. Conditions Precedent to Each Competitive Bid Borrowing	46
SECTION 3.05. Determinations Under Section 3.01	47
ARTICLE IV REPRESENTATIONS AND WARRANTIES	
SECTION 4.01. Representations and Warranties of the Company	47
ARTICLE V COVENANTS OF THE BORROWER	

SECTION 5.01.	Affirmative Covenants	50
SECTION 5.02.	Negative Covenants	54
ARTICLE VI EVENTS OF DEFAULT		
SECTION 6.01.	Events of Default	56
ARTICLE VII GUARANTEE		
SECTION 7.01.	Unconditional Guarantee	61
SECTION 7.02.	Guarantee Absolute	61
SECTION 7.03.	Waivers	62
SECTION 7.04.	Remedies	62
SECTION 7.05.	No Stay	63
SECTION 7.06.	Survival	63
ARTICLE VIII THE AGENT		
SECTION 8.01.	Authorization and Action	63
SECTION 8.02.	Agent's Reliance, Etc.	64
SECTION 8.03.	Citibank and Affiliates	64
SECTION 8.04.	Lender Credit Decision	65
SECTION 8.05.	Indemnification	65
SECTION 8.06.	Successor Agent	65
SECTION 8.07.	Sub-Agent	66
ARTICLE IX MISCELLANEOUS		
SECTION 9.01.	Amendments, Etc.	66
SECTION 9.02.	Notices, Etc.	66
SECTION 9.03.	No Waiver; Remedies	67
SECTION 9.04.	Costs and Expenses	67
SECTION 9.05.	Right of Set-off	68
SECTION 9.06.	Binding Effect	69
SECTION 9.07.	Assignments and Participations	69
SECTION 9.08.	Designated Subsidiaries	72
SECTION 9.09.	Confidentiality	72
SECTION 9.10.	Mitigation of Yield Protection	73
SECTION 9.11.	Governing Law.	73
SECTION 9.12.	Execution in Counterparts	73
SECTION 9.13.	Jurisdiction, Etc.	73
SECTION 9.14.	Substitution of Currency	74
SECTION 9.15.	Final Agreement	75
SECTION 9.16.	Judgment	75
SECTION 9.17.	Waiver of Jury Trial	75

SCHEDULES

Schedule I - List of Applicable Lending Offices

Schedule 3.01(b) - Disclosed Litigation

EXHIBITS

Exhibit A-1 - Form of Revolving Credit Note

Exhibit A-2 - Form of Competitive Bid Note

Exhibit B-1 - Form of Notice of Revolving Credit Borrowing

Exhibit B-2 - Form of Notice of Competitive Bid Borrowing

Exhibit C - Form of Assignment and Acceptance

Exhibit D - Form of Assumption Agreement

Exhibit E - Form of Designation Letter

Exhibit F - Form of Acceptance by Process Agent

Exhibit G - Form of Opinion of J. Edward Smith, Senior Counsel  
of the Company

Exhibit H - Form of Opinion of Counsel to a Designated Subsidiary

Exhibit I - Form of Opinion of Shearman & Sterling, Counsel to the Agent

364-DAY BACKSTOP CREDIT AGREEMENT

Dated as of October 9, 1998

ALLIEDSIGNAL INC., a Delaware corporation (the "Company"), the banks, financial institutions and other institutional lenders (the "Initial Lenders") listed on the signature pages hereof, and CITIBANK, N.A. ("Citibank"), as agent (the "Agent") for the Lenders (as hereinafter defined), agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.01. Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Advance" means a Revolving Credit Advance or a Competitive Bid Advance.

"Affiliate" means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person. For purposes of this definition, the term "control" (including the terms "controlling", "controlled by" and "under common control with") of a Person means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Stock, by contract or otherwise.

"Agent's Account" means (a) in the case of Advances denominated in Dollars, the account of the Agent maintained by the Agent at Citibank at its office at 399 Park Avenue, New York, New York 10043, Account No. 36852248, Attention: Kent Leonard, (b) in the case of Advances denominated in any Foreign Currency, the account of the Sub-Agent designated in writing from time to time by the Agent to the Company and the Lenders for such purpose and (c) in any such case, such other account of the Agent as is designated in writing from time to time by the Agent to the Company and the Lenders for such purpose.

"Alternate Currency" means any lawful currency other than Dollars and the Major Currencies that is freely transferrable and convertible into Dollars.

"Applicable Lending Office" means, with respect to each Lender, such Lender's Domestic Lending Office in the case of a Base Rate Advance and such Lender's Eurocurrency Lending Office in the case of a Eurocurrency Rate Advance and, in the case of a Competitive Bid Advance, the office of such Lender notified by such Lender to the Agent as its Applicable Lending Office with respect to such Competitive Bid Advance.

"Applicable Margin" means, as of any date, a percentage per annum determined by reference to the Public Debt Rating in effect on such date as set forth below:

Public Debt Rating S&P/Moody's	Applicable Margin for Eurocurrency Rate Advances Prior to the Term Loan Conversion Date	Applicable Margin for Eurocurrency Rate Advances from the Term Loan Conversion Date
Level 1 ----- A/A2	0.170%	0.225%
Level 2 ----- Lower than A/A2 but at least A-/A3	0.205%	0.275%
Level 3 ----- Lower than A-/A3 but at least BBB+/Baa1	0.265%	0.350%
Level 4 ----- Lower than BBB+/Baa1 but at least BBB/Baa2	0.305%	0.400%
Level 5	0.405%	0.525%



"Assumption Agreement" means an agreement in substantially the form of Exhibit D hereto by which an Eligible Assignee agrees to become a Lender hereunder pursuant to Section 2.16, in each case agreeing to be bound by all obligations of a Lender hereunder.

"Base Rate" means a fluctuating interest rate per annum in effect from time to time, which rate per annum shall at all times be equal to the highest of:

(a) the rate of interest announced publicly by Citibank in New York, New York, from time to time, as Citibank's base rate;

(b) the sum (adjusted to the nearest 1/16 of 1% or, if there is no nearest 1/16 of 1%, to the next higher 1/16 of 1%) of (i) 1/2 of 1% per annum, plus (ii) the rate obtained by dividing (A) the latest three-week moving average of secondary market morning offering rates in the United States for three-month certificates of deposit of major United States money market banks, such three-week moving average (adjusted to the basis of a year of 360 days) being determined weekly on each Monday (or, if such day is not a Business Day, on the next succeeding Business Day) for the three-week period ending on the previous Friday by Citibank on the basis of such rates reported by certificate of deposit dealers to and published by the Federal Reserve Bank of New York or, if such publication shall be suspended or terminated, on the basis of quotations for such rates received by Citibank from three New York certificate of deposit dealers of recognized standing selected by Citibank, by (B) a percentage equal to 100% minus the average of the daily percentages specified during such three-week period by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, but not limited to, any emergency, supplemental or other marginal reserve requirement) for Citibank with respect to liabilities consisting of or including (among other liabilities) three-month Dollar non-personal time deposits in the United States, plus (iii) the average during such three-week period of the annual assessment rates estimated by Citibank for determining the then current annual assessment payable by Citibank to the Federal Deposit Insurance Corporation (or any successor) for insuring Dollar deposits of Citibank in the United States; and

(c) 1/2 of one percent per annum above the Federal Funds Rate.

"Base Rate Advance" means a Revolving Credit Advance denominated in Dollars that bears interest as provided in Section 2.07(a)(i).

"Borrower" means the Company or any Designated Subsidiary, as the context requires.

"Borrowing" means a Revolving Credit Borrowing or a Competitive Bid Borrowing.

"Business Day" means a day of the year on which banks are not required or authorized by law to close in New York City and, if the applicable Business Day relates to any Eurocurrency Rate Advance or LIBO Rate Advance, on which dealings are carried on in the London interbank market and banks are open for business in London and in the country of issue of the currency of such Eurocurrency Rate Advance or LIBO Rate Advance (or, in the case of an Advance denominated in the euro, in Frankfurt, Germany) and, if the applicable Business Day relates to any Local Rate Advance, on which banks are open for business in the country of issue of the currency of such Local Rate Advance.

"Change of Control" means that (i) any Person or group of Persons (within the meaning of Section 13 or 14 of the Securities Exchange Act of 1934, as amended (the "Act")) (other than the Company, any Subsidiary of the Company or any savings, pension or other benefit plan for the benefit of employees of the Company or its Subsidiaries) which theretofore beneficially owned less than 30% of the Voting Stock of the Company then outstanding shall have acquired beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under the Act) of 30% or more in voting power of the outstanding Voting Stock of the Company or (ii) during any period of twelve consecutive calendar months, individuals who at the beginning of such twelve-month period were directors of the Company shall cease to constitute a majority of the Board of Directors of the Company.

"Commitment" means as to any Lender (i) the Dollar amount set forth opposite its name on the signature pages hereof, (ii) if such Lender has become a Lender hereunder pursuant to an Assumption Agreement, the Dollar amount set forth as its Commitment in such Assumption Agreement or (iii) if such Lender has entered into any Assignment and Acceptance, the Dollar amount set forth for such Lender

in the Register maintained by the Administrative Agent pursuant to Section 9.07(d), in each case as the same may be terminated or reduced, as the case may be, pursuant to Section 2.05.

"Competitive Bid Advance" means an advance by a Lender to any Borrower as part of a Competitive Bid Borrowing resulting from the competitive bidding procedure described in Section 2.03 and refers to a Fixed Rate Advance, a LIBO Rate Advance or a Local Rate Advance (each of which shall be a "Type" of Competitive Bid Advance).

"Competitive Bid Borrowing" means a borrowing consisting of simultaneous Competitive Bid Advances from each of the Lenders whose offer to make one or more Competitive Bid Advances as part of such borrowing has been accepted under the competitive bidding procedure described in Section 2.03.

"Competitive Bid Note" means a promissory note of any Borrower payable to the order of any Lender, in substantially the form of Exhibit A-2 hereto, evidencing the indebtedness of such Borrower to such Lender resulting from a Competitive Bid Advance made by such Lender to such Borrower.

"Competitive Bid Reduction" has the meaning specified in Section 2.01.

"Consenting Lenders" has the meaning specified in Section 2.16(b).

"Consolidated" refers to the consolidation of accounts in accordance with GAAP.

"Consolidated Subsidiary" means, at any time, any Subsidiary the accounts of which are required at that time to be included on a Consolidated basis in the Consolidated financial statements of the Company, assuming that such financial statements are prepared in accordance with GAAP.

"Convert", "Conversion" and "Converted" each refers to a conversion of Revolving Credit Advances of one Type into Revolving Credit Advances of the other Type pursuant to Section 2.08.

"Debt" means, with respect to any Person: (i) indebtedness of such Person, which is not limited as to recourse to such Person, for borrowed money (whether by loan or the issuance and sale of debt securities) or for the deferred (for 90 days or more) purchase or acquisition price of property or services; (ii) indebtedness or obligations of others which such Person has assumed or guaranteed; (iii) indebtedness or obligations of others secured by a lien, charge or encumbrance on property of such Person whether or not such Person shall have assumed such indebtedness or obligations; (iv) obligations of such Person in respect of letters of credit (other than performance letters of credit, except to the extent backing an obligation of any Person which would be Debt of such Person), acceptance facilities, or drafts or similar instruments issued or accepted by banks and other financial institutions for the account of such Person; and (v) obligations of such Person under leases which are required to be capitalized on a balance sheet of such Person in accordance with GAAP.

"Default" means any Event of Default or any event that would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

"Designated Subsidiary" means any corporate Subsidiary of the Company designated for borrowing privileges under this Agreement pursuant to Section 9.08.

"Designation Letter" means, with respect to any Designated Subsidiary, a letter in the form of Exhibit E hereto signed by such Designated Subsidiary and the Company.

"Disclosed Litigation" has the meaning specified in Section 3.01(b).

"Dollars" and the "\$" sign each mean lawful money of the United States of America.

"Domestic Lending Office" means, with respect to any Initial Lender, the office of such Lender specified as its "Domestic Lending Office" opposite its name on Schedule I hereto and, with respect to any other Lender, the office of such Lender specified as its "Domestic Lending Office" in the Assumption Agreement or in the Assignment and Acceptance pursuant to which it became a Lender, or such other office of such Lender as such Lender may from time to time specify to the Company and the Agent.

"Domestic Subsidiary" means any Subsidiary whose operations are conducted primarily in the United States excluding any Subsidiary whose assets consist primarily of the stock of Subsidiaries whose



operations are conducted outside the United States of America.

"Effective Date" has the meaning specified in Section 3.01.

"Eligible Assignee" means (i) a Lender; (ii) an Affiliate of a Lender; (iii) a commercial bank organized under the laws of the United States, or any State thereof, and having total assets in excess of \$10,000,000,000; (iv) a savings and loan association or savings bank organized under the laws of the United States, or any State thereof, and having a net worth of at least \$500,000,000, calculated in accordance with GAAP; (v) a commercial bank organized under the laws of any other country that is a member of the Organization for Economic Cooperation and Development or has concluded special lending arrangements with the International Monetary Fund associated with its General Arrangements to Borrow, or a political subdivision of any such country, and having total assets in excess of \$10,000,000,000, so long as such bank is acting through a branch or agency located in the country in which it is organized or another country that is described in this clause (v); and (vi) the central bank of any country that is a member of the Organization for Economic Cooperation and Development.

"Environmental Action" means any action, suit, demand, demand letter, claim, notice of non-compliance or violation, notice of liability or potential liability, investigation, proceeding, consent order or consent agreement relating in any way to any Environmental Law, Environmental Permit or Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment, including, without limitation, (a) by any governmental or regulatory authority for enforcement, cleanup, removal, response, remedial or other actions or damages and (b) by any governmental or regulatory authority or any third party for damages, contribution, indemnification, cost recovery, compensation or injunctive relief.

"Environmental Law" means any federal, state, local or foreign statute, law, ordinance, rule, regulation, code, order, judgment, decree or judicial or agency interpretation, policy or guidance relating to pollution or protection of the environment, health, safety or natural resources, including, without limitation, those relating to the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials.

"Environmental Permit" means any permit, approval, identification number, license or other authorization required under any Environmental Law.

"Equivalent" in Dollars of any Foreign Currency on any date means the equivalent in Dollars of such Foreign Currency determined by using the quoted spot rate at which the Sub-Agent's principal office in London offers to exchange Dollars for such Foreign Currency in London prior to 4:00 P.M. (London time) (unless otherwise indicated by the terms of this Agreement) on such date as is required pursuant to the terms of this Agreement, and the "Equivalent" in any Foreign Currency of Dollars means the equivalent in such Foreign Currency of Dollars determined by using the quoted spot rate at which the Sub-Agent's principal office in London offers to exchange such Foreign Currency for Dollars in London prior to 4:00 P.M. (London time) (unless otherwise indicated by the terms of this Agreement) on such date as is required pursuant to the terms of this Agreement.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"ERISA Affiliate" of any Person means any other Person that for purposes of Title IV of ERISA is a member of such Person's controlled group, or under common control with such Person, within the meaning of Section 414 of the Internal Revenue Code.

"ERISA Event" with respect to any Person means (a) (i) the occurrence of a reportable event, within the meaning of Section 4043 of ERISA, with respect to any Plan of such Person or any of its ERISA Affiliates unless the 30-day notice requirement with respect to such event has been waived by the PBGC, or (ii) the requirements of subsection (1) of Section 4043(b) of ERISA (without regard to subsection (2) of such Section) are met with a contributing sponsor, as defined in Section 4001(a)(13) of ERISA, of a Plan of such Person or any of its ERISA Affiliates, and an event described in paragraph (9), (10), (11), (12) or (13) of Section 4043(c) of ERISA is reasonably expected to occur with respect to such Plan within the following 30 days; (b) the application for a minimum funding waiver with respect to a Plan of such Person or any of its ERISA Affiliates; (c) the provision by the administrator of any Plan of such Person or any of its ERISA Affiliates of a notice of intent to terminate such Plan in a distress termination pursuant to Section 4041(a)(2) of ERISA (including any such notice with respect to a plan amendment referred to in Section 4041(e) of ERISA); (d) the cessation of operations at a facility of such Person or any of its ERISA Affiliates in the circumstances described in Section 4062(e) of ERISA; (e) the

withdrawal by such Person or any of its ERISA Affiliates from a Multiple Employer Plan during a plan year for which it was a substantial employer, as defined in Section 4001(a)(2) of ERISA; (f) the conditions for the imposition of a lien under Section 302(f) of ERISA shall have been met with respect to any Plan of such Person or any of its ERISA Affiliates; (g) the adoption of an amendment to a Plan of such Person or any of its ERISA Affiliates requiring the provision of security to such Plan pursuant to Section 307 of ERISA; or (h) the institution by the PBGC of proceedings to terminate a Plan of such Person or any of its ERISA Affiliates pursuant to Section 4042 of ERISA, or the occurrence of any event or condition described in Section 4042 of ERISA that constitutes grounds for the termination of, or the appointment of a trustee to administer, such Plan.

"Escrow" means an escrow established with an independent escrow agent pursuant to an escrow agreement reasonably satisfactory in form and substance to the Person or Persons asserting the obligation of one or more Borrowers to make a payment to it or them hereunder.

"Eurocurrency Lending Office" means, with respect to any Initial Lender, the office of such Lender specified as its "Eurocurrency Lending Office" opposite its name on Schedule I hereto and, with respect to any other Lender, the office of such Lender specified as its "Eurocurrency Lending Office" in the Assumption Agreement or in the Assignment and Acceptance pursuant to which it became a Lender (or, if no such office is specified, its Domestic Lending Office), or such other office of such Lender as such Lender may from time to time specify to the Company and the Agent.

"Eurocurrency Liabilities" has the meaning assigned to that term in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Eurocurrency Rate" means, for any Interest Period for each Eurocurrency Rate Advance comprising part of the same Revolving Credit Borrowing, an interest rate per annum equal to the rate per annum obtained by dividing (a) the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) appearing on the applicable Telerate Page as the London interbank offered rate for deposits in Dollars or in the relevant Major Currency at approximately 11:00 A.M. (London time) two Business Days prior to the first day of such Interest Period for a term comparable to such Interest Period or, if for any reason such rate is not available, the average (rounded upward to the nearest whole multiple of 1/16 of 1% per annum, if such average is not such a multiple) of the rate per annum at which deposits in Dollars or in the relevant Major Currency are offered by the principal office of each of the Reference Banks in London, England to prime banks in the London interbank market at 11:00 A.M. (London time) two Business Days before the first day of such Interest Period in an amount substantially equal to such Reference Bank's Eurocurrency Rate Advance comprising part of such Revolving Credit Borrowing to be outstanding during such Interest Period and for a period equal to such Interest Period by (b) a percentage equal to 100% minus the Eurocurrency Rate Reserve Percentage for such Interest Period. If the Telerate Page is unavailable, the Eurocurrency Rate for any Interest Period for each Eurocurrency Rate Advance comprising part of the same Revolving Credit Borrowing shall be determined by the Agent on the basis of applicable rates furnished to and received by the Agent from the Reference Banks two Business Days before the first day of such Interest Period, subject, however, to the provisions of Section 2.08.

"Eurocurrency Rate Advance" means a Revolving Credit Advance denominated in Dollars or in a Major Currency that bears interest as provided in Section 2.07(a)(ii).

"Eurocurrency Rate Reserve Percentage" for any Interest Period for all Eurocurrency Rate Advances or LIBO Rate Advances comprising part of the same Borrowing means the reserve percentage applicable two Business Days before the first day of such Interest Period under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for a member bank of the Federal Reserve System in New York City with respect to liabilities or assets consisting of or including Eurocurrency Liabilities (or with respect to any other category of liabilities that includes deposits by reference to which the interest rate on Eurocurrency Rate Advances or LIBO Rate Advances is determined) having a term equal to such Interest Period.

"Events of Default" has the meaning specified in Section 6.01.

"Extension Date" has the meaning specified in Section 2.16(a).

"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds

brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day on such transactions received by the Agent from three Federal funds brokers of recognized standing selected by it.

"Fixed Rate Advance" has the meaning specified in Section 2.03(a)(i), which Advance shall be denominated in Dollars or in any Foreign Currency.

"Foreign Currency" means any Major Currency or any Alternate Currency.

"GAAP" has the meaning specified in Section 1.03.

"Hazardous Materials" means (a) petroleum and petroleum products, byproducts or breakdown products, radioactive materials, asbestos-containing materials, polychlorinated biphenyls and radon gas and (b) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any Environmental Law.

"Insufficiency" means, with respect to any Plan, the amount, if any, of its unfunded benefit liabilities, as defined in Section 4001(a)(18) of ERISA.

"Interest Period" means, for each Eurocurrency Rate Advance comprising part of the same Revolving Credit Borrowing and each LIBO Rate Advance comprising part of the same Competitive Bid Borrowing, the period commencing on the date of such Eurocurrency Rate Advance or LIBO Rate Advance or the date of the Conversion of any Base Rate Advance into such Eurocurrency Rate Advance and ending on the last day of the period selected by the Borrower requesting such Borrowing pursuant to the provisions below and, thereafter, with respect to Eurocurrency Rate Advances, each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the last day of the period selected by such Borrower pursuant to the provisions below. The duration of each such Interest Period shall be one, two, three or six months and, if available to all Lenders, nine months, as the Borrower requesting the Borrowing may, upon notice received by the Agent not later than 11:00 A.M. (New York City time) on the third Business Day prior to the first day of such Interest Period, select; provided, however, that:

(i) such Borrower may not select any Interest Period that ends after the scheduled Termination Date or, if the Revolving Credit Advances have been converted to a term loan pursuant to Section 2.06 prior to such selection, that ends after the Maturity Date;

(ii) Interest Periods commencing on the same date for Eurocurrency Rate Advances comprising part of the same Revolving Credit Borrowing or for LIBO Rate Advances comprising part of the same Competitive Bid Borrowing shall be of the same duration;

(iii) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day, provided, however, that, if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day; and

(iv) whenever the first day of any Interest Period occurs on a day of an initial calendar month for which there is no numerically corresponding day in the calendar month that succeeds such initial calendar month by the number of months equal to the number of months in such Interest Period, such Interest Period shall end on the last Business Day of such succeeding calendar month.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"Lenders" means, collectively, (i) Initial Lenders, (ii) each Assuming Lender that shall become a party hereto pursuant to Section 2.16 and (iii) each Eligible Assignee that shall become a party hereto pursuant to Section 9.07(a), (b) and (c).

"LIBO Rate" means, for any Interest Period for all LIBO Rate Advances comprising part of the same Competitive Bid Borrowing, an interest rate per annum equal to the rate per annum obtained by dividing (a) the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) appearing on the applicable Telerate Page as the London interbank offered rate for deposits in Dollars or in the

relevant Foreign Currency at approximately 11:00 A.M. (London time) two Business Days prior to the first day of such Interest Period or, if for any reason such rate is not available, the average (rounded upward to the nearest whole multiple of 1/16 of 1% per annum, if such average is not such a multiple) of the rate per annum at which deposits in Dollars or in the relevant Foreign Currency are offered by the principal office of each of the Reference Banks in London, England to prime banks in the London interbank market at 11:00 A.M. (London time) two Business Days before the first day of such Interest Period in an amount substantially equal to the amount that would be the Reference Banks' respective ratable shares of such Borrowing if such Borrowing were to be a Revolving Credit Borrowing to be outstanding during such Interest Period and for a period equal to such Interest Period by (b) a percentage equal to 100% minus the Eurocurrency Rate Reserve Percentage for such Interest Period. If the Telerate Page is unavailable, the LIBO Rate for any Interest Period for each LIBO Rate Advance comprising part of the same Competitive Bid Borrowing shall be determined by the Agent on the basis of applicable rates furnished to and received by the Agent from the Reference Banks two Business Days before the first day of such Interest Period, subject, however, to the provisions of Section 2.08.

"LIBO Rate Advance" means a Competitive Bid Advance denominated in Dollars or in any Foreign Currency and bearing interest based on the LIBO Rate.

"Lien" means any lien, mortgage, pledge, security interest or other charge or encumbrance of any kind.

"Local Rate Advance" means a Competitive Bid Advance denominated in any Foreign Currency sourced from the jurisdiction of issuance of such Foreign Currency and bearing interest at a fixed rate.

"Major Currencies" means lawful currency of the United Kingdom of Great Britain and Northern Ireland, lawful currency of the Federal Republic of Germany, lawful currency of Japan, lawful currency of the Republic of France and lawful currency of the European Economic and Monetary Union.

"Majority Lenders" means at any time Lenders holding at least 51% of the then aggregate principal amount (based on the Equivalent in Dollars at such time) of the Revolving Credit Advances owing to Lenders, or, if no such principal amount is then outstanding, Lenders having at least 51% of the Commitments.

"Material Adverse Change" means any material adverse change in the financial condition or results of operations of the Company and its Consolidated Subsidiaries taken as a whole.

"Material Adverse Effect" means a material adverse effect on (a) the financial condition or results of operations of the Company and its Consolidated Subsidiaries taken as a whole, (b) the rights and remedies of the Agent or any Lender under this Agreement or any Note or (c) the ability of the Borrowers to perform their obligations under this Agreement or any Note.

"Maturity Date" means the earlier of (a) the first anniversary of the Termination Date and (b) the date of termination in whole of the aggregate Commitments pursuant to Section 2.05 or 6.01.

"Moody's" means Moody's Investors Service, Inc.

"Multiemployer Plan" of any Person means a multiemployer plan, as defined in Section 4001(a)(3) of ERISA, to which such Person or any of its ERISA Affiliates is making or accruing an obligation to make contributions, or has within any of the preceding five plan years made or accrued an obligation to make contributions.

"Multiple Employer Plan" of any Person means a single employer plan, as defined in Section 4001(a)(15) of ERISA, that (a) is maintained for employees of such Person or any of its ERISA Affiliates and at least one Person other than such Person or any of its ERISA Affiliates or (b) was so maintained and in respect of which such Person or any of its ERISA Affiliates could have liability under Section 4064 or 4069 of ERISA in the event such plan has been or were to be terminated.

"Net Tangible Assets of the Company and its Consolidated Subsidiaries", as at any particular date of determination, means the total amount of assets (less applicable reserves and other properly deductible items) after deducting therefrom (a) all current liabilities (excluding any thereof which are by their terms extendible or renewable at the option of the obligor thereon to a time more than 12 months after the time as of which the amount thereof is being computed) and (b) all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other like intangible assets, as set forth in the most recent balance sheet of the Company and its Consolidated Subsidiaries and computed in accordance with

GAAP.

"Non-Consenting Lender" has the meaning specified in Section 2.16(b).

"Note" means a Revolving Credit Note or a Competitive Bid Note.

"Notice of Competitive Bid Borrowing" has the meaning specified in Section 2.03(a).

"Notice of Revolving Credit Borrowing" has the meaning specified in Section 2.02(a).

"Obligations" has the meaning specified in Section 7.01(b).

"Payment Office" means, for any Foreign Currency, such office of Citibank as shall be from time to time selected by the Agent and notified by the Agent to the Borrowers and the Lenders.

"PBGC" means the Pension Benefit Guaranty Corporation (or any successor).

"Person" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, limited liability company or other entity, or a government or any political subdivision or agency thereof.

"Plan" means a Single Employer Plan or a Multiple Employer Plan.

"Process Agent" has the meaning specified in Section 9.13(a).

"Public Debt Rating" means, as of any date, the highest rating that has been most recently announced by either S&P or Moody's, as the case may be, for any class of non-credit enhanced long-term senior unsecured debt issued by the Company. For purposes of the foregoing, (a) if only one of S&P and Moody's shall have in effect a Public Debt Rating, the Applicable Margin, the Applicable Utilization Fee and the Applicable Percentage shall be determined by reference to the available rating; (b) if neither S&P nor Moody's shall have in effect a Public Debt Rating, the Applicable Margin, the Applicable Utilization Fee and the Applicable Percentage will be set in accordance with Level 6 under the definition of "Applicable Margin, "Applicable Utilization Fee" or "Applicable Percentage", as the case may be; (c) if the ratings established by S&P and Moody's shall fall within different levels, the Applicable Margin, the Applicable Utilization Fee and the Applicable Percentage shall be based upon the higher rating; (d) if any rating established by S&P or Moody's shall be changed, such change shall be effective as of the date on which such change is first announced publicly by the rating agency making such change; and (e) if S&P or Moody's shall change the basis on which ratings are established, each reference to the Public Debt Rating announced by S&P or Moody's, as the case may be, shall refer to the then equivalent rating by S&P or Moody's, as the case may be.

"Rating Condition" has the meaning specified in Section 2.05(c)(ii).

"Rating Condition Notice" has the meaning specified in Section 2.05(c)(ii).

"Reference Banks" means Citibank, Bank of America NT&SA, Banque Nationale de Paris, Barclays Bank plc, Deutsche Bank AG, New York Branch and/or Cayman Islands Branch and Morgan Guaranty Trust Company of New York.

"Register" has the meaning specified in Section 9.07(d).

"Restricted Property" means (a) any property of the Company located within the United States of America that, in the opinion of the Company's Board of Directors, is a principal manufacturing property or (b) any shares of capital stock or Debt of any Subsidiary owning any such property.

"Revolving Credit Advance" means an advance by a Lender to any Borrower as part of a Revolving Credit Borrowing and refers to a Base Rate Advance or a Eurocurrency Rate Advance (each of which shall be a "Type" of Revolving Credit Advance).

"Revolving Credit Borrowing" means a borrowing consisting of simultaneous Revolving Credit Advances of the same Type made by each of the Lenders pursuant to Section 2.01.

"Revolving Credit Note" means a promissory note of any Borrower payable to the order of any Lender, delivered pursuant to a request made under Section 2.17 in substantially the form of Exhibit A-1 hereto, evidencing the aggregate indebtedness of such Borrower to such Lender resulting from the Revolving Credit Advances made by such Lender to such Borrower.

"Sale and Leaseback Transaction" means any arrangement with any Person (other than the Company or a Subsidiary of the Company), or to which any such Person is a party, providing for the leasing to the Company or to a Subsidiary of the Company owning Restricted Property for a period of more than three years of any Restricted Property that has been or is to be sold or transferred by the Company or such Subsidiary to such Person, or to any other Person (other than the Company or a Subsidiary of the Company) to which funds have been or are to be advanced by such Person on the security of the leased property. It is understood that arrangements pursuant to Section 168(f)(8) of the Internal Revenue Code of 1954, as amended, or any successor provision having similar effect, are not included within this definition of "Sale and Leaseback Transaction".

"S&P" means Standard & Poor's Ratings Group, a division of The McGraw-Hill Companies, Inc.

"Single Employer Plan" of any Person means a single employer plan, as defined in Section 4001(a)(15) of ERISA, that (a) is maintained for employees of such Person or any of its ERISA Affiliates and no Person other than such Person and its ERISA Affiliates or (b) was so maintained and in respect of which such Person or any of its ERISA Affiliates could have liability under Section 4069 of ERISA in the event such plan has been or were to be terminated.

"Sub-Agent" means Citibank International plc.

"Subsidiary" of any Person means any corporation, partnership, joint venture, limited liability company, trust or estate of which (or in which) more than 50% of (a) the issued and outstanding capital stock having ordinary voting power to elect a majority of the Board of Directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency), (b) the interest in the capital or profits of such limited liability company, partnership or joint venture or (c) the beneficial interest in such trust or estate is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person's other Subsidiaries.

"Telerate Page" means, as applicable, page 3740 or 3750 (or any successor pages, respectively) of Telerate Service of Bridge Information Services.

"Term Loan Conversion Date" means the Termination Date on which all Advances outstanding on such date are converted into a term loan pursuant to Section 2.06.

"Term Loan Election" has the meaning specified in Section 2.06.

"Termination Date" means the earlier of (a) \_\_\_\_\_, 1999, or such later date to which it may be extended pursuant to Section 2.16, and (b) the date of termination in whole of the Commitments pursuant to Section 2.05(a) or (e) or Section 6.01 or, if all Lenders elect to terminate their Commitments as provided therein, Section 2.05(d).

"Threatened" means, with respect to any action, suit, investigation, litigation or proceeding, a written communication to the Company or a Designated Subsidiary, as the case may be, expressing an intention to immediately bring such action, suit, investigation, litigation or proceeding.

"Utilization" means, as of any time prior to the Term Loan Conversion Date, the decimal fraction equal to the aggregate principal amount of the Advances then outstanding divided by the aggregate amount of the Lenders' Commitments at such time and, at all times from the Term Loan Conversion Date, the decimal fraction equal to the aggregate principal amount of the Advances outstanding on the Term Loan Conversion Date divided by the aggregate amount of the Lenders' Commitments immediately prior to the Term Loan Conversion Date.

"Voting Stock" means capital stock issued by a corporation, or equivalent interests in any other Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even if the right so to vote has been suspended by the happening of such a contingency.

"Withdrawal Liability" has the meaning specified in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Computation of Time Periods. In this Agreement in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

SECTION 1.03. Accounting Terms. All accounting terms not specifically defined herein shall be construed, and all financial computations and determinations pursuant hereto shall be made, in accordance with generally accepted accounting principles consistent with those applied in the preparation of the financial statements referred to in Section 4.01(e) ("GAAP"); provided, however, that, if any changes in accounting principles from those used in the preparation of such financial statements have been required by the rules, regulations, pronouncements or opinions of the Financial Accounting Standards Board or the American Institute of Certified Public Accountants (or successors thereto or agencies with similar functions) and have been adopted by the Company with the agreement of its independent certified public accountants, the Lenders agree to consider a request by the Company to amend this Agreement to take account of such changes.

## ARTICLE II

### AMOUNTS AND TERMS OF THE ADVANCES

SECTION 2.01. The Revolving Credit Advances. Each Lender severally agrees, on the terms and conditions hereinafter set forth, to make Revolving Credit Advances to any Borrower from time to time on any Business Day during the period from the Effective Date until the Termination Date in an aggregate amount (based in respect of any Revolving Credit Advance denominated in a Major Currency on the Equivalent in Dollars determined on the date of delivery of the applicable Notice of Revolving Credit Borrowing), not to exceed at any time outstanding such Lender's Commitment, provided that the aggregate amount of the Commitments of the Lenders shall be deemed used from time to time to the extent of the aggregate amount (based in respect of any Competitive Bid Advance denominated in a Foreign Currency on the Equivalent in Dollars at such time) of the Competitive Bid Advances then outstanding and such deemed use of the aggregate amount of the Commitments shall be allocated among the Lenders ratably according to their respective Commitments (such deemed use of the aggregate amount of the Commitments being a "Competitive Bid Reduction"). Each Revolving Credit Borrowing shall be in an aggregate amount not less than \$10,000,000 (or the Equivalent thereof in any Major Currency determined on the date of delivery of the applicable Notice of Revolving Credit Borrowing) or an integral multiple of \$1,000,000 (or the Equivalent thereof in any Major Currency determined on the date of delivery of the applicable Notice of Revolving Credit Borrowing) in excess thereof and shall consist of Revolving Credit Advances of the same Type made on the same day by the Lenders ratably according to their respective Commitments; provided, however, that if there is no unused portion of the Commitment of one or more Lenders at the time of any requested Revolving Credit Borrowing such Borrowing shall consist of Revolving Credit Advances of the same Type made on the same day by the Lender or Lenders who do then have an unused portion of their Commitments ratably according to the unused portion of such Commitments. Notwithstanding anything herein to the contrary, no Revolving Credit Borrowing may be made in a Major Currency if, after giving effect to the making of such Revolving Credit Borrowing, the Equivalent in Dollars of the aggregate amount of outstanding Revolving Credit Advances denominated in Major Currencies, together with the Equivalent in Dollars of the aggregate amount of outstanding Competitive Bid Advances denominated in Foreign Currencies, would exceed \$200,000,000. Within the limits of each Lender's Commitment, any Borrower may borrow under this Section 2.01, prepay pursuant to Section 2.09 and reborrow under this Section 2.01.

SECTION 2.02. Making the Revolving Credit Advances. (a) Each Revolving Credit Borrowing shall be made on notice, given not later than (x) 10:00 A.M. (New York City time) on the third Business Day prior to the date of the proposed Revolving Credit Borrowing in the case of a Revolving Credit Borrowing consisting of Eurocurrency Rate Advances denominated in any Major Currency, (y) 11:00 A.M. (New York City time) on the third Business Day prior to the date of the proposed Revolving Credit Borrowing in the case of a Revolving Credit Borrowing consisting of Eurocurrency Rate Advances denominated in Dollars or (z) 9:00 A.M. (New York City time) on the day of the proposed Revolving Credit Borrowing in the case of a Revolving Credit Borrowing consisting of Base Rate Advances, by any Borrower to the Agent (and the Agent shall, in the case of a Revolving Credit Borrowing consisting of Eurocurrency Rate Advances, immediately relay such notice to the Sub-Agent), which shall give to each Lender prompt notice thereof by telecopier or telex. Each such notice of a Revolving Credit Borrowing (a "Notice of Revolving Credit Borrowing") shall be by telephone, confirmed immediately in writing, or telecopier or telex in substantially the form of Exhibit B-1 hereto, specifying therein the requested (i) date of such Revolving Credit Borrowing, (ii) Type of Advances comprising such Revolving Credit Borrowing, (iii) aggregate amount of such Revolving Credit Borrowing, and (iv) in the case of a Revolving Credit Borrowing consisting of Eurocurrency Rate Advances, initial Interest Period and currency for each such Revolving Credit Advance. Each Lender shall, before 11:00 A.M. (New York City time) on the date of such Revolving Credit Borrowing, in the case of a Revolving Credit Borrowing consisting of Advances denominated in Dollars, and before 11:00 A.M. (London time) on the date of such Revolving Credit Borrowing, in the case of a Revolving Credit Borrowing consisting of Eurocurrency Rate Advances denominated in any Major Currency, make available for the account of its Applicable Lending Office

to the Agent at the applicable Agent's account, in same day funds, such Lender's ratable portion (as determined in accordance with Section 2.01) of such Revolving Credit Borrowing. After the Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article III, the Agent will make such funds available to the Borrower requesting the Revolving Credit Borrowing at the Agent's aforesaid address or at the applicable Payment Office, as the case may be.

(b) Anything in subsection (a) above to the contrary notwithstanding, a Borrower may not select Eurocurrency Rate Advances for any proposed Revolving Credit Borrowing if the obligation of the Lenders to make Eurocurrency Rate Advances shall then be suspended pursuant to Section 2.08 or 2.11.

(c) Each Notice of Revolving Credit Borrowing of any Borrower shall be irrevocable and binding on such Borrower. In the case of any Revolving Credit Borrowing that the related Notice of Revolving Credit Borrowing specifies is to be comprised of Eurocurrency Rate Advances, the Borrower requesting such Revolving Credit Borrowing shall indemnify each Lender against any loss, cost or expense incurred by such Lender as a result of any failure by such Borrower to fulfill on or before the date specified in such Notice of Revolving Credit Borrowing for such Revolving Credit Borrowing the applicable conditions set forth in Article III, including, without limitation, any loss (including loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the Revolving Credit Advance to be made by such Lender as part of such Revolving Credit Borrowing when such Revolving Credit Advance, as a result of such failure, is not made on such date.

(d) Unless the Agent shall have received notice from a Lender prior to the date of any Revolving Credit Borrowing that such Lender will not make available to the Agent such Lender's ratable portion of such Revolving Credit Borrowing, the Agent may assume that such Lender has made such portion available to the Agent on the date of such Revolving Credit Borrowing in accordance with subsection (a) of this Section 2.02 and the Agent may, in reliance upon such assumption, make available to the Borrower proposing such Revolving Credit Borrowing on such date a corresponding amount. If and to the extent that such Lender shall not have so made such ratable portion available to the Agent, such Lender and such Borrower severally agree to repay to the Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to such Borrower until the date such amount is repaid to the Agent, at (i) in the case of such Borrower, the higher of (A) the interest rate applicable at the time to Revolving Credit Advances comprising such Revolving Credit Borrowing and (B) the cost of funds incurred by the Agent in respect of such amount and (ii) in the case of such Lender, (A) the Federal Funds Rate in the case of Advances denominated in Dollars or (B) the cost of funds incurred by the Agent in respect of such amount in the case of Advances denominated in any Major Currency. If such Lender shall repay to the Agent such corresponding amount, such amount so repaid shall constitute such Lender's Revolving Credit Advance as part of such Revolving Credit Borrowing for purposes of this Agreement.

(e) The failure of any Lender to make the Revolving Credit Advance to be made by it as part of any Revolving Credit Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its Revolving Credit Advance on the date of such Revolving Credit Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the Revolving Credit Advance to be made by such other Lender on the date of any Revolving Credit Borrowing.

SECTION 2.03. The Competitive Bid Advances. (a) Each Lender severally agrees that any Borrower may request Competitive Bid Borrowings under this Section 2.03 from time to time on any Business Day during the period from the date hereof until the date occurring seven days prior to the Termination Date in the manner set forth below; provided that, following the making of each Competitive Bid Borrowing, the aggregate amount (based in respect of any Advance denominated in a Foreign Currency on the Equivalent in Dollars on such Business Day) of the Advances then outstanding shall not exceed the aggregate amount of the Commitments of the Lenders (computed without regard to any Competitive Bid Reduction). Notwithstanding anything herein to the contrary, no Competitive Bid Borrowing may be made in a Foreign Currency if, after giving effect to the making of such Revolving Credit Borrowing, the Equivalent in Dollars of the aggregate amount of outstanding Competitive Bid Advances denominated in Foreign Currencies, together with the Equivalent in Dollars of the aggregate amount of outstanding Revolving Credit Advances denominated in Major Currencies, would exceed \$200,000,000.

(i) Any Borrower may request a Competitive Bid Borrowing under this Section 2.03 by delivering to the Agent (and the Agent shall, in the case of a Competitive Bid Borrowing not consisting of Fixed Rate Advances or LIBO Rate Advances to be denominated in Dollars, immediately notify the Sub-Agent), by telecopier or telex, a notice of a Competitive Bid Borrowing (a "Notice of Competitive Bid Borrowing"), in substantially the form of Exhibit B-2 hereto, specifying therein



the requested (A) date of such proposed Competitive Bid Borrowing, (B) aggregate amount of such proposed Competitive Bid Borrowing, (C) interest rate basis and day count convention to be offered by the Lenders, (D) currency of such proposed Competitive Bid Borrowing, (E) in the case of a Competitive Bid Borrowing consisting of LIBO Rate Advances, Interest Period of each Competitive Bid Advance to be made as part of such Competitive Bid Borrowing, or in the case of a Competitive Bid Borrowing consisting of Fixed Rate Advances or Local Rate Advances, maturity date for repayment of each Fixed Rate Advance or Local Rate Advance to be made as part of such Competitive Bid Borrowing (which maturity date may not be earlier than the date occurring five days after the date of such Competitive Bid Borrowing or later than the Termination Date), (F) interest payment date or dates relating thereto, (G) location of such Borrower's account to which funds are to be advanced, and (H) other terms (if any) to be applicable to such Competitive Bid Borrowing, not later than (w) 10:00 A.M. (New York City time) at least one Business Day prior to the date of the proposed Competitive Bid Borrowing, if such Borrower shall specify in its Notice of Competitive Bid Borrowing that the rates of interest to be offered by the Lenders shall be fixed rates per annum (each Advance comprising any such Competitive Bid Borrowing being referred to herein as a "Fixed Rate Advance") and that the Advances comprising such proposed Competitive Bid Borrowing shall be denominated in Dollars, (x) 10:00 A.M. (New York City time) at least four Business Days prior to the date of the proposed Competitive Bid Borrowing, if such Borrower shall instead specify in its Notice of Competitive Bid Borrowing that the Advances comprising such Competitive Bid Borrowing shall be LIBO Rate Advances denominated in Dollars, (y) 3:00 P.M. (New York City time) at least three Business Days prior to the date of the proposed Competitive Bid Borrowing, if such Borrower shall specify in the Notice of Competitive Bid Borrowing that the Advances comprising such proposed Competitive Bid Borrowing shall be either Fixed Rate Advances denominated in any Foreign Currency or Local Rate Advances denominated in any Foreign Currency and (z) 3:00 P.M. (New York City time) at least five Business Days prior to the date of the proposed Competitive Bid Borrowing, if such Borrower shall instead specify in its Notice of Competitive Bid Borrowing that the Advances comprising such Competitive Bid Borrowing shall be LIBO Rate Advances denominated in any Foreign Currency. Each Notice of Competitive Bid Borrowing shall be irrevocable and binding on such Borrower. Any Notice of Competitive Bid Borrowing by a Designated Subsidiary shall be given to the Agent in accordance with the preceding sentence through the Company on behalf of such Designated Subsidiary. The Agent shall in turn promptly notify each Lender of each request for a Competitive Bid Borrowing received by it from such Borrower by sending such Lender a copy of the related Notice of Competitive Bid Borrowing.

(ii) Each Lender may, if, in its sole discretion, it elects to do so, irrevocably offer to make one or more Competitive Bid Advances to the Borrower proposing the Competitive Bid Borrowing as part of such proposed Competitive Bid Borrowing at a rate or rates of interest specified by such Lender in its sole discretion, by notifying the Agent (which shall give prompt notice thereof to such Borrower and to the Sub-Agent, if applicable), (A) before 9:30 A.M. (New York City time) on the date of such proposed Competitive Bid Borrowing, in the case of a Competitive Bid Borrowing consisting of Fixed Rate Advances denominated in Dollars, (B) before 10:00 A.M. (New York City time) three Business Days before the date of such proposed Competitive Bid Borrowing, in the case of a Competitive Bid Borrowing consisting of LIBO Rate Advances denominated in Dollars, (C) before 10:00 A.M. (New York City time) on the second Business Day prior to the date of such proposed Competitive Bid Borrowing, in the case of a Competitive Bid Borrowing consisting of either Fixed Rate Advances denominated in any Foreign Currency or Local Rate Advances denominated in any Foreign Currency and (D) before 10:00 A.M. (New York City time) four Business Days before the date of such proposed Competitive Bid Borrowing, in the case of a Competitive Bid Borrowing consisting of LIBO Rate Advances denominated in any Foreign Currency, of the minimum amount and maximum amount of each Competitive Bid Advance which such Lender would be willing to make as part of such proposed Competitive Bid Borrowing (which amounts, or the Equivalent thereof in Dollars, as the case may be, may, subject to the proviso to the first sentence of this Section 2.03(a), exceed such Lender's Commitment, if any), the rate or rates of interest therefor and such Lender's Applicable Lending Office with respect to such Competitive Bid Advance; provided that if the Agent in its capacity as a Lender shall, in its sole discretion, elect to make any such offer, it shall notify such Borrower of such offer at least 30 minutes before the time and on the date on which notice of such election is to be given to the Agent, by the other Lenders. If any Lender shall elect not to make such an offer, such Lender shall so notify the Agent, before 10:00 A.M. (New York City time) (and the Agent shall notify the Sub-Agent, if applicable) on the date on which notice of such election is to be given to the Agent by the other Lenders, and such Lender shall not be obligated to, and shall not, make any Competitive Bid Advance as part of such Competitive Bid Borrowing; provided that the failure by any Lender to give such notice shall not cause such Lender to be obligated to make any Competitive

Bid Advance as part of such proposed Competitive Bid Borrowing.

(iii) The Borrower proposing the Competitive Bid Advance shall, in turn, (A) before 10:30 A.M. (New York City time) on the date of such proposed Competitive Bid Borrowing, in the case of a Competitive Bid Borrowing consisting of Fixed Rate Advances denominated in Dollars, (B) before 11:00 A.M. (New York City time) three Business Days before the date of such proposed Competitive Bid Borrowing, in the case of a Competitive Bid Borrowing consisting of LIBO Rate Advances denominated in Dollars, (C) before 10:00 A.M. (New York City time) on the Business Day prior to the date of such Competitive Bid Borrowing, in the case of a Competitive Bid Borrowing consisting of either Fixed Rate Advances denominated in any Foreign Currency or Local Rate Advances denominated in any Foreign Currency and (D) before 10:00 A.M. (New York City time) three Business Days before the date of such proposed Competitive Bid Borrowing, in the case of a Competitive Bid Borrowing consisting of LIBO Rate Advances denominated in any Foreign Currency, either:

(x) cancel such Competitive Bid Borrowing by giving the Agent notice to that effect, or

(y) accept one or more of the offers made by any Lender or Lenders pursuant to paragraph (ii) above, in its sole discretion, by giving notice to the Agent (and the Agent shall give notice to the Sub-Agent, if applicable) of the amount of each Competitive Bid Advance (which amount shall be equal to or greater than the minimum amount, and equal to or less than the maximum amount, notified to such Borrower by the Agent on behalf of such Lender for such Competitive Bid Advance pursuant to paragraph (ii) above) to be made by each Lender as part of such Competitive Bid Borrowing, and reject any remaining offers made by Lenders pursuant to paragraph (ii) above by giving the Agent notice to that effect; provided, however, that such Borrower shall not accept any offer in excess of the requested bid amount for any maturity. Such Borrower shall accept the offers made by any Lender or Lenders to make Competitive Bid Advances in order of the lowest to the highest rates of interest offered by such Lenders. If two or more Lenders have offered the same interest rate, the amount to be borrowed at such interest rate will be allocated among such Lenders in proportion to the amount that each such Lender offered at such interest rate.

(iv) If the Borrower proposing the Competitive Bid Borrowing notifies the Agent that such Competitive Bid Borrowing is canceled pursuant to paragraph (iii)(x) above, the Agent shall give prompt notice thereof to the Lenders and such Competitive Bid Borrowing shall not be made.

(v) If the Borrower proposing the Competitive Bid Borrowing accepts one or more of the offers made by any Lender or Lenders pursuant to paragraph (iii)(y) above, the Agent shall in turn promptly notify (A) each Lender that has made an offer as described in paragraph (ii) above, of the date and aggregate amount of such Competitive Bid Borrowing and whether or not any offer or offers made by such Lender pursuant to paragraph (ii) above have been accepted by the Borrower, (B) each Lender that is to make a Competitive Bid Advance as part of such Competitive Bid Borrowing, of the amount of each Competitive Bid Advance to be made by such Lender as part of such Competitive Bid Borrowing, and (C) each Lender that is to make a Competitive Bid Advance as part of such Competitive Bid Borrowing, upon receipt, that the Agent has received forms of documents appearing to fulfill the applicable conditions set forth in Article III. Each Lender that is to make a Competitive Bid Advance as part of such Competitive Bid Borrowing shall, before 11:00 A.M. (New York City time), in the case of Competitive Bid Advances to be denominated in Dollars or 11:00 A.M. (London time), in the case of Competitive Bid Advances to be denominated in any Foreign Currency, on the date of such Competitive Bid Borrowing specified in the notice received from the Agent pursuant to clause (A) of the preceding sentence or any later time when such Lender shall have received notice from the Agent pursuant to clause (C) of the preceding sentence, make available for the account of its Applicable Lending Office to the Agent (x) in the case of a Competitive Bid Borrowing denominated in Dollars, at its address referred to in Section 9.02, in same day funds, such Lender's portion of such Competitive Bid Borrowing in Dollars, and (y) in the case of a Competitive Bid Borrowing in a Foreign Currency, at the Payment Office for such Foreign Currency as shall have been notified by the Agent to the Lenders prior thereto, in same day funds, such Lender's portion of such Competitive Bid Borrowing in such Foreign Currency. Upon fulfillment of the applicable conditions set forth in Article III and after receipt by the Agent of such funds, the Agent will make such funds available to such Borrower's account at the location specified by such Borrower in its Notice of Competitive Bid Borrowing. Promptly after each Competitive Bid Borrowing the Agent will notify each Lender of the amount of such Competitive Bid Borrowing, the consequent Competitive Bid Reduction and the dates upon which such Competitive Bid Reduction commenced and will terminate.

(vi) If the Borrower proposing the Competitive Bid Borrowing notifies the Agent that it accepts one or more of the offers made by any Lender or Lenders pursuant to paragraph (iii)(y) above, such notice of acceptance shall be irrevocable and binding on such Borrower. Such Borrower shall indemnify each Lender against any loss, cost or expense incurred by such Lender as a result of any failure by such Borrower to fulfill on or before the date specified in the related Notice of Competitive Bid Borrowing for such Competitive Bid Borrowing the applicable conditions set forth in Article III, including, without limitation, any loss (including loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the Competitive Bid Advance to be made by such Lender as part of such Competitive Bid Borrowing when such Competitive Bid Advance, as a result of such failure, is not made on such date.

(b) Each Competitive Bid Borrowing shall be in an aggregate amount not less than \$10,000,000 (or the Equivalent thereof in any Foreign Currency, determined as of the time of the applicable Notice of Competitive Bid Borrowing) or an integral multiple of \$1,000,000 (or the Equivalent thereof in any Foreign Currency, determined as of the time of the applicable Notice of Competitive Bid Borrowing) in excess thereof and, following the making of each Competitive Bid Borrowing, the Borrower that has borrowed such Competitive Bid Borrowing shall be in compliance with the limitation set forth in the proviso to the first sentence of subsection (a) above.

(c) Within the limits and on the conditions set forth in this Section 2.03, any Borrower may from time to time borrow under this Section 2.03, repay or prepay pursuant to subsection (d) below, and reborrow under this Section 2.03, provided that a Competitive Bid Borrowing shall not be made within three Business Days of the date of any other Competitive Bid Borrowing.

(d) Any Borrower that has borrowed through a Competitive Bid Borrowing shall repay to the Agent for the account of each Lender that has made a Competitive Bid Advance, on the maturity date of such Competitive Bid Advance (such maturity date being that specified by such Borrower for repayment of such Competitive Bid Advance in the related Notice of Competitive Bid Borrowing delivered pursuant to subsection (a)(i) above and provided in the Competitive Bid Note evidencing such Competitive Bid Advance), the then unpaid principal amount of such Competitive Bid Advance. Such Borrower shall have no right to prepay any principal amount of any Competitive Bid Advance unless, and then only on the terms, specified by such Borrower for such Competitive Bid Advance in the related Notice of Competitive Bid Borrowing delivered pursuant to subsection (a)(i) above and set forth in the Competitive Bid Note evidencing such Competitive Bid Advance.

(e) Each Borrower that has borrowed through a Competitive Bid Borrowing shall pay interest on the unpaid principal amount of each Competitive Bid Advance comprising such Competitive Bid Borrowing from the date of such Competitive Bid Advance to the date the principal amount of such Competitive Bid Advance is repaid in full, at the rate of interest for such Competitive Bid Advance specified by the Lender making such Competitive Bid Advance in its notice with respect thereto delivered pursuant to subsection (a)(ii) above, payable on the interest payment date or dates specified by such Borrower for such Competitive Bid Advance in the related Notice of Competitive Bid Borrowing delivered pursuant to subsection (a)(i) above, as provided in the Competitive Bid Note evidencing such Competitive Bid Advance. Upon the occurrence and during the continuance of an Event of Default under Section 6.01(a), such Borrower shall pay interest on the amount of unpaid principal of and interest on each Competitive Bid Advance owing to a Lender, payable in arrears on the date or dates interest is payable thereon, at a rate per annum equal at all times to 1% per annum above the rate per annum required to be paid on such Competitive Bid Advance under the terms of the Competitive Bid Note evidencing such Competitive Bid Advance unless otherwise agreed in such Competitive Bid Note.

(f) The indebtedness of any Borrower resulting from each Competitive Bid Advance made to such Borrower as part of a Competitive Bid Borrowing shall be evidenced by a separate Competitive Bid Note of the Borrower payable to the order of the Lender making such Competitive Bid Advance.

SECTION 2.04. Fees. (a) Facility Fee. The Company agrees to pay to the Agent for the account of each Lender a facility fee on the aggregate amount of such Lender's Commitment from the date hereof in the case of each Initial Lender and from the effective date specified in the Assumption Agreement or the Assignment and Acceptance, as the case may be, pursuant to which it became a Lender in the case of each other Lender until the Termination Date at a rate per annum equal to the Applicable Percentage in effect from time to time, payable in arrears quarterly on the last day of each March, June, September and December, commencing December 31, 1998, and on the Termination Date.

(b) Agent's Fees. The Company shall pay to the Agent for its own account such fees, and at such times, as the Company and the Agent may separately agree.

SECTION 2.05. Termination or Reduction of the Commitments. (a) Optional Ratable Termination or Reduction. The Company shall have the right, upon at least three Business Days' notice to the Agent, to terminate in whole or reduce ratably in part the unused portions of the respective Commitments of the Lenders, provided that each partial reduction shall be in an aggregate amount not less than \$10,000,000 or an integral multiple of \$1,000,000 in excess thereof and provided further that the aggregate amount of the Commitments of the Lenders shall not be reduced to an amount that is less than the sum of the aggregate principal amount of the Competitive Bid Advances denominated in Dollars then outstanding plus the Equivalent in Dollars (determined as of the date of the notice of prepayment) of the aggregate principal amount of the Competitive Bid Advances denominated in Foreign Currencies then outstanding. The aggregate amount of the Commitments, once reduced as provided in this Section 2.05(a), may not be reinstated.

(b) Non-Ratable Termination by Assignment. The Company shall have the right, upon at least ten Business Days' written notice to the Agent (which shall then give prompt notice thereof to the relevant Lender), to require any Lender to assign, pursuant to and in accordance with the provisions of Section 9.07, all of its rights and obligations under this Agreement and under the Notes to an Eligible Assignee selected by the Company; provided, however, that (i) no Event of Default shall have occurred and be continuing at the time of such request and at the time of such assignment; (ii) the assignee shall have paid to the assigning Lender the aggregate principal amount of, and any interest accrued and unpaid to the date of such assignment on, the Note or Notes of such Lender; (iii) the Company shall have paid to the assigning Lender any and all facility fees and other fees payable to such Lender and all other accrued and unpaid amounts owing to such Lender under any provision of this Agreement (including, but not limited to, any increased costs or other additional amounts owing under Section 2.10 and any indemnification for Taxes under Section 2.13) as of the effective date of such assignment; and (iv) if the assignee selected by the Company is not an existing Lender, such assignee or the Company shall have paid the processing and recordation fee required under Section 9.07(a) for such assignment; provided further that the Company shall have no right to replace more than three Lenders in any calendar year pursuant to this Section 2.05(b); and provided further that the assigning Lender's rights under Sections 2.10, 2.13 and 9.04, and its obligations under Section 8.05, shall survive such assignment as to matters occurring prior to the date of assignment.

(c) Non-Ratable Reduction. (i) The Company shall have the right, at any time other than during any Rating Condition, upon at least ten Business Days' notice to a Lender (with a copy to the Agent), to terminate in whole such Lender's Commitment (determined without giving effect to any Competitive Bid Reduction). Such termination shall be effective, (i) with respect to such Lender's unused Commitment, on the date set forth in such notice, provided, however, that such date shall be no earlier than ten Business Days after receipt of such notice and (ii) with respect to each Advance outstanding to such Lender, on the last day of the then current Interest Period relating to such Advance; provided further, however, that such termination shall not be effective, if, after giving effect to such termination, the Company would, under this Section 2.05(c), reduce the Lenders' Commitments in any calendar year by an amount in excess of the Commitments of any three Lenders or \$420,000,000, whichever is greater on the date of such termination. Notwithstanding the preceding proviso, the Company may terminate in whole the Commitment of any Lender in accordance with the terms and conditions set forth in Section 2.05(b) or 2.16(b). Upon termination of a Lender's Commitment under this Section 2.05(c), the Company will pay or cause to be paid all principal of, and interest accrued to the date of such payment on, Advances owing to such Lender and pay any facility fees or other fees payable to such Lender pursuant to the provisions of Section 2.04, and all other amounts payable to such Lender hereunder (including, but not limited to, any increased costs or other amounts owing under Section 2.10 and any indemnification for Taxes under Section 2.13); and upon such payments, the obligations of such Lender hereunder shall, by the provisions hereof, be released and discharged; provided, however, that such Lender's rights under Sections 2.10, 2.13 and 9.04, and its obligations under Section 8.05 shall survive such release and discharge as to matters occurring prior to such date. The aggregate amount of the Commitments of the Lenders once reduced pursuant to this Section 2.05(c) may not be reinstated.

(ii) For purposes of this Section 2.05(c) only, the term "Rating Condition" shall mean a period commencing with notice (a "Rating Condition Notice") by the Agent to the Company and the Lenders to the effect that the Agent has been informed that the rating of the senior public Debt of the Company is unsatisfactory under the standard set forth in the next sentence, and ending with notice by the Agent to the Company and the Lenders to the effect that such condition no longer exists. The Agent shall give a Rating Condition Notice promptly upon receipt from the Company or any Lender of notice stating, in effect, that both of S&P and Moody's (or any successor by merger or consolidation to the business of either

thereof), respectively, then rate the senior public Debt of the Company lower than BBB- and Baa3. The Company agrees to give notice to the Agent forthwith upon any change in a rating by either such organization of the senior public Debt of the Company; the Agent shall have no duty whatsoever to verify the accuracy of any such notice from the Company or any Lender or to monitor independently the ratings of the senior public Debt of the Company and no Lender shall have any duty to give any such notice. The Agent shall give notice to the Lenders and the Company as to the termination of a Rating Condition promptly upon receiving a notice from the Company to the Agent (which notice the Agent shall promptly notify to the Lenders) stating that the rating of the senior public Debt of the Company does not meet the standard set forth in the second sentence of this clause (ii), and requesting that the Agent notify the Lenders of the termination of the Rating Condition. The Rating Condition shall terminate upon the giving of such notice by the Agent.

(d) Termination by a Lender. In the event that a Change of Control occurs, each Lender may, by notice to the Company and the Agent given not later than 50 calendar days after such Change of Control, terminate its Commitment, which Commitment shall be terminated effective as of the later of (i) the date that is 60 calendar days after such Change of Control or (ii) the end of the Interest Period for any Advance outstanding at the time of such Change of Control or for any Advance made pursuant to the next sentence of this Section 2.05(d). Upon the occurrence of a Change of Control, each Borrower's right to make a Borrowing under this Agreement shall be suspended for a period of 60 calendar days, except for Advances having an interest period ending not later than 90 calendar days after such Change of Control. A notice of termination pursuant to this Section 2.05(d) shall not have the effect of accelerating any outstanding Advance of such Lender and the Notes of such Lender.

(e) Mandatory Termination. The Commitments shall be terminated in full on the effective date of the \$7,000,000,000 364-day revolving credit facility pursuant to a credit agreement among the Company, the lenders party thereto and Citibank, as agent for such lenders, in substantially similar form to this Agreement.

SECTION 2.06. Repayment of Advances. (a) Revolving Credit Advances. Each Borrower shall subject to the next succeeding sentence, repay to the Administrative Agent, for the ratable account of the Lenders, on the Termination Date the aggregate principal amount of all Revolving Credit Advances made to it outstanding on such date. The Company may, upon not less than 15 days' notice to the Agent, elect (the "Term Loan Election") to convert on the Termination Date all of the Revolving Credit Advances outstanding on the Termination Date in effect at such time into a term loan which the Borrower that requested each such Revolving Credit Advance shall repay in full ratably to the Lenders on the Maturity Date; provided that the Term Loan Election may not be exercised if a Default has occurred and is continuing on the date of notice of the Term Loan Election or on the date on which the Term Loan Election is to be effected. All Revolving Credit Advances converted to a term loan pursuant to this Section 2.06(a) shall continue to constitute Revolving Credit Advances except that the Borrowers may not reborrow pursuant to Section 2.01 after all or any portion of such Revolving Credit Advances have been prepaid pursuant to Section 2.10.

(b) Competitive Bid Advances. Each Borrower shall repay to the Administrative Agent, for the account of each Lender that has made a Competitive Bid Advance, the aggregate outstanding principal amount of each Competitive Bid Advance made to such Borrower and owing to such Lender on the earlier of (i) the maturity date therefor, specified in the related Notice of Competitive Bid Borrowing delivered pursuant to Section 2.03(a) (i) and (ii) the Termination Date.

SECTION 2.07. Interest on Revolving Credit Advances. (a) Scheduled Interest. Each Borrower shall pay interest on the unpaid principal amount of each Revolving Credit Advance owing by such Borrower to each Lender from the date of such Revolving Credit Advance until such principal amount shall be paid in full, at the following rates per annum:

(i) Base Rate Advances. During such periods as such Revolving Credit Advance is a Base Rate Advance, a rate per annum equal at all times to the sum of (x) the Base Rate in effect from time to time plus (y) the Applicable Utilization Fee in effect from time to time, payable in arrears quarterly on the last day of each March, June, September and December during such periods and on the date such Base Rate Advance shall be paid in full.

(ii) Eurocurrency Rate Advances. During such periods as such Revolving Credit Advance is a Eurocurrency Rate Advance, a rate per annum equal at all times during each Interest Period for such Revolving Credit Advance to the sum of (x) the Eurocurrency Rate for such Interest Period for such Revolving Credit Advance plus (y) the Applicable Margin in effect from time to time plus (z) the Applicable Utilization Fee in effect from time to time, payable in arrears on the last day of such Interest Period and, if such Interest Period has a duration of more than three months, on each day that occurs during such Interest Period every three months from the first day of such

Interest Period and on the date such Eurocurrency Rate Advance shall be Converted or paid in full.

(b) Default Interest. Upon the occurrence and during the continuance of an Event of Default under Section 6.01(a), each Borrower shall pay interest on (i) the unpaid principal amount of each Revolving Credit Advance owing by such Borrower to each Lender, payable in arrears on the dates referred to in clause (a)(i) or (a)(ii) above, at a rate per annum equal at all times to 1% per annum above the rate per annum required to be paid on such Revolving Credit Advance pursuant to clause (a)(i) or (a)(ii) above and (ii) to the fullest extent permitted by law, the amount of any interest, fee or other amount payable hereunder by such Borrower that is not paid when due, from the date such amount shall be due until such amount shall be paid in full, payable in arrears on the date such amount shall be paid in full and on demand, at a rate per annum equal at all times to 1% per annum above the rate per annum required to be paid on such Revolving Credit Advance pursuant to clause (a)(i) or (a)(ii) above.

SECTION 2.08. Interest Rate Determination. (a) Each Reference Bank agrees to furnish to the Agent timely information for the purpose of determining each Eurocurrency Rate and each LIBO Rate if the applicable Telerate Page is unavailable. If any one or more of the Reference Banks shall not furnish such timely information to the Agent for the purpose of determining any such interest rate, the Agent shall determine such interest rate on the basis of timely information furnished by the remaining Reference Banks. The Agent shall give prompt notice to the Company and the Lenders of the applicable interest rate determined by the Agent for purposes of Section 2.07(a)(i) or (ii), and the rate, if any, furnished by each Reference Bank for the purpose of determining the interest rate under Section 2.07(a)(ii).

(b) If, with respect to any Eurocurrency Rate Advances, the Majority Lenders notify the Agent that (i) they are unable to obtain matching deposits in the London interbank market at or about 11:00 A.M. (London time) on the second Business Day before the making of a Borrowing in sufficient amounts to fund their respective Revolving Credit Advances as part of such Borrowing during its Interest Period or (ii) the Eurocurrency Rate for any Interest Period for such Advances will not adequately reflect the cost to such Majority Lenders of making, funding or maintaining their respective Eurocurrency Rate Advances for such Interest Period, the Agent shall forthwith so notify each Borrower and the Lenders, whereupon (A) the Borrower will, on the last day of the then existing Interest Period therefor, (1) if such Eurocurrency Rate Advances are denominated in Dollars, either (x) prepay such Advances or (y) Convert such Advances into Base Rate Advances and (2) if such Eurocurrency Rate Advances are denominated in any Major Currency, either (x) prepay such Advances or (y) redenominate such Advances into an Equivalent amount of Dollars and Convert such Advances into Base Rate Advances, and (B) the obligation of the Lenders to make Eurocurrency Rate Advances in the same currency as such Eurocurrency Rate Advances shall be suspended until the Agent shall notify each Borrower and the Lenders that the circumstances causing such suspension no longer exist.

(c) If any Borrower, in requesting a Revolving Credit Borrowing comprised of Eurocurrency Rate Advances, shall fail to select the duration of the Interest Period for such Eurocurrency Rate Advances in accordance with the provisions contained in the definition of "Interest Period" in Section 1.01, the Agent will forthwith so notify the Borrower and the Lenders and such Advances will (to the extent such Eurocurrency Rate Advances remain outstanding on such day) automatically, on the last day of the then existing Interest Period therefor, (i) if such Eurocurrency Rate Advances are denominated in Dollars, Convert into Base Rate Advances and (ii) if such Eurocurrency Rate Advances are denominated in any Major Currency, be redenominated into an Equivalent amount of Dollars and be Converted into Base Rate Advances.

(d) Upon the occurrence and during the continuance of any Event of Default under Section 6.01(a), (i) each Eurocurrency Rate Advance will (to the extent such Eurocurrency Rate Advance remains outstanding on such day) automatically, on the last day of the then existing Interest Period therefor, (A) if such Eurocurrency Rate Advance is denominated in Dollars, be Converted into a Base Rate Advance and (B) if such Eurocurrency Rate Advance is denominated in any Major Currency, be redenominated into an Equivalent amount of Dollars and Converted into a Base Rate Advance and (ii) the obligation of the Lenders to make Eurocurrency Rate Advances shall be suspended.

(e) If the applicable Telerate Page is unavailable and fewer than two Reference Banks furnish timely information to the Agent for determining the Eurocurrency Rate or LIBO Rate for any Eurocurrency Rate Advances or LIBO Rate Advances, as the case may be,

(i) the Agent shall forthwith notify the relevant Borrower and the Lenders that the interest rate cannot be determined for such Eurocurrency Rate Advances or LIBO Rate Advances, as the case may be,

(ii) with respect to Eurocurrency Rate Advances, each such Advance will (to the extent such Eurocurrency Rate Advance remains

outstanding on such day) automatically, on the last day of the then existing Interest Period therefor, (A) if such Eurocurrency Rate Advance is denominated in Dollars, be prepaid by the applicable Borrower or be automatically Converted into a Base Rate Advance and (B) if such Eurocurrency Rate Advance is denominated in any Major Currency, be prepaid by the applicable Borrower or be automatically redenominated into an Equivalent amount of Dollars and Converted into a Base Rate Advance (or if such Advance is then a Base Rate Advance, will continue as a Base Rate Advance), and

(iii) the obligation of the Lenders to make Eurocurrency Rate Advances or LIBO Rate Advances shall be suspended until the Agent shall notify the Borrowers and the Lenders that the circumstances causing such suspension no longer exist.

SECTION 2.09. Prepayments of Revolving Credit Advances. (a) Optional Prepayments. Each Borrower may, upon notice to the Agent stating the proposed date and aggregate principal amount of the prepayment, given not later than 11:00 A.M. (New York City time) on the second Business Day prior to the date of such proposed prepayment, in the case of Eurocurrency Rate Advances, and not later than 11:00 A.M. (New York City time) on the day of such proposed prepayment, in the case of Base Rate Advances, and, if such notice is given, such Borrower shall, prepay the outstanding principal amount of the Revolving Credit Advances comprising part of the same Revolving Credit Borrowing in whole or ratably in part, together with accrued interest to the date of such prepayment on the principal amount prepaid; provided, however, that (x) each partial prepayment shall be in an aggregate principal amount not less than \$10,000,000 or the Equivalent thereof in a Major Currency (determined on the date notice of prepayment is given) or an integral multiple of \$1,000,000 or the Equivalent thereof in a Major Currency (determined on the date notice of prepayment is given) in excess thereof and (y) in the event of any such prepayment of a Eurocurrency Rate Advance other than on the last day of the Interest Period therefor, such Borrower shall be obligated to reimburse the Lenders in respect thereof pursuant to Section 9.04(c). Each notice of prepayment by a Designated Subsidiary shall be given to the Administrative Agent through the Company.

(b) Mandatory Prepayments. (i) If, on any date, the sum of (A) the aggregate principal amount of all Advances denominated in Dollars then outstanding plus (B) the Equivalent in Dollars (determined on the third Business Day prior to such date) of the aggregate principal amount of all Advances denominated in Foreign Currencies then outstanding exceeds 103% of the aggregate Commitments of the Lenders on such date, the Company and each other Borrower, if any, shall thereupon promptly prepay the outstanding principal amount of any Advances owing by such Borrower in an aggregate amount sufficient to reduce such sum to an amount not to exceed 100% of the aggregate Commitments of the Lenders on such date, together with any interest accrued to the date of such prepayment on the principal amounts prepaid and, in the case of any prepayment of a Eurocurrency Rate Advance, a LIBO Rate Advance or a Local Rate Advance on a date other than the last day of an Interest Period or at its maturity, any additional amounts which such Borrower shall be obligated to reimburse to the Lenders in respect thereof pursuant to Section 9.04(c). The Agent shall give prompt notice of any prepayment required under this Section 2.09(b) (i) to the Borrowers and the Lenders.

(ii) If, on any date, the sum of (A) the Equivalent in Dollars of the aggregate principal amount of all Eurocurrency Rate Advances denominated in Major Currencies then outstanding plus (B) the Equivalent in Dollars of the aggregate principal amount of all Competitive Bid Advances denominated in Foreign Currencies then outstanding, shall exceed 110% of \$200,000,000, the Company and each other Borrower shall prepay the outstanding principal amount of any such Eurocurrency Rate Advances or any such LIBO Rate Advances owing by such Borrower, on the last day of the Interest Periods relating to such Advances, in an aggregate amount sufficient to reduce such sum to an amount not to exceed \$200,000,000, together with any interest accrued to the date of such prepayment on the principal amounts prepaid. The Agent shall give prompt notice of any prepayment required under this Section 2.09(b) (ii) to the Borrowers and the Lenders.

SECTION 2.10. Increased Costs. (a) If, due to either (i) the introduction of or any change in or in the interpretation of any law or regulation or (ii) the compliance with any guideline or request from any central bank or other governmental authority including, without limitation, any agency of the European Union or similar monetary or multinational authority (whether or not having the force of law), there shall be any increase in the cost to any Lender of agreeing to make or making, funding or maintaining Eurocurrency Rate Advances or LIBO Rate Advances (excluding for purposes of this Section 2.10 any such increased costs resulting from (i) Taxes or Other Taxes (as to which Section 2.13 shall govern) and (ii) changes in the basis of taxation of overall net income or overall gross income by the United States or by the foreign jurisdiction or state under the laws of which such Lender is organized or has its Applicable Lending Office or any political subdivision thereof), then the Borrower of such Advances shall from time to time, upon demand by such Lender (with a copy of such demand to the Agent), pay to the Agent for the account of such

Lender additional amounts sufficient to compensate such Lender for such increased cost. A certificate as to the amount of such increased cost, submitted to such Borrower and the Agent by such Lender, shall be conclusive and binding for all purposes, absent manifest error.

(b) If any Lender determines that compliance with any law or regulation or any guideline or request from any central bank or other governmental authority including, without limitation, any agency of the European Union or similar monetary or multinational authority (whether or not having the force of law) affects or would affect the amount of capital required or expected to be maintained by such Lender or any corporation controlling such Lender and that the amount of such capital is increased by or based upon the existence of such Lender's commitment to lend hereunder and other commitments of this type, then, upon demand by such Lender (with a copy of such demand to the Agent), the Company shall pay to the Agent for the account of such Lender, from time to time as specified by such Lender, additional amounts sufficient to compensate such Lender or such corporation in the light of such circumstances, to the extent that such Lender reasonably determines such increase in capital to be allocable to the existence of such Lender's commitment to lend hereunder. A certificate as to such amounts submitted to the Company and the Agent by such Lender shall be conclusive and binding for all purposes, absent manifest error.

(c) Any Lender claiming any additional amounts payable pursuant to this Section 2.10 shall, upon the written request of the Company delivered to such Lender and the Agent, assign, pursuant to and in accordance with the provisions of Section 9.07, all of its rights and obligations under this Agreement and under the Notes to an Eligible Assignee selected by the Company; provided, however, that (i) no Default shall have occurred and be continuing at the time of such request and at the time of such assignment; (ii) the assignee shall have paid to the assigning Lender the aggregate principal amount of, and any interest accrued and unpaid to the date of such assignment on, the Note or Notes of such Lender; (iii) the Company shall have paid to the assigning Lender any and all facility fees and other fees payable to such Lender and all other accrued and unpaid amounts owing to such Lender under any provision of this Agreement (including, but not limited to, any increased costs or other additional amounts owing under this Section 2.10, and any indemnification for Taxes under Section 2.13) as of the effective date of such assignment and (iv) if the assignee selected by the Company is not an existing Lender, such assignee or the Company shall have paid the processing and recordation fee required under Section 9.07(a) for such assignment; provided further that the assigning Lender's rights under Sections 2.10, 2.13 and 9.04, and its obligations under Section 8.05, shall survive such assignment as to matters occurring prior to the date of assignment.

SECTION 2.11. Illegality. Notwithstanding any other provision of this Agreement, if any Lender shall notify the Agent that the introduction of or any change in or in the interpretation of any law or regulation makes it unlawful, or any central bank or other governmental authority asserts that it is unlawful, for any Lender or its Eurocurrency Lending Office to perform its obligations hereunder to make Eurocurrency Rate Advances in Dollars or any Major Currency or LIBO Rate Advances in Dollars or in any Foreign Currency or to fund or maintain Eurocurrency Rate Advances in Dollars or in any Major Currency or LIBO Rate Advances in Dollars or in any Foreign Currency hereunder, (a) each such Eurocurrency Rate Advance or such LIBO Rate Advance, as the case may be, will automatically, upon such demand, (i) if such Eurocurrency Rate Advance or LIBO Rate Advance is denominated in Dollars, be Converted into a Base Rate Advance or an Advance that bears interest at the rate set forth in Section 2.07(a)(i), as the case may be, and (ii) if such Eurocurrency Rate Advance or LIBO Rate Advance is denominated in any Foreign Currency, be redenominated into an Equivalent amount of Dollars and Converted into a Base Rate Advance or an Advance that bears interest at the rate set forth in Section 2.07(a)(i), as the case may be, and (b) the obligation of the Lenders to make such Eurocurrency Rate Advances or such LIBO Rate Advances shall be suspended until the Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist.

SECTION 2.12. Payments and Computations. (a) Each Borrower shall make each payment hereunder and under any Notes, except with respect to principal of, interest on, and other amounts relating to, Advances denominated in a Foreign Currency, not later than 11:00 A.M. (New York City time) on the day when due in Dollars to the Agent at the applicable Agent's Account on same day funds. Each Borrower shall make each payment hereunder and under any Notes with respect to principal of, interest on, and other amounts relating to Advances denominated in a Foreign Currency not later than 12:00 Noon (at the Payment Office for such Foreign Currency) on the day when due in such Foreign Currency to the Agent in same day funds by deposit of such funds to the applicable Agent's Account. The Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal or interest or facility fees ratably (other than amounts payable pursuant to Section 2.03, 2.05(b), 2.05(c), 2.10, 2.13, 2.16 or 9.04(c)) to the Lenders for the account of their respective Applicable Lending Offices, and like funds relating to the payment of any other amount payable to any Lender to such Lender for the account of its Applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon its acceptance of an Assignment and



Acceptance and recording of the information contained therein in the Register pursuant to Section 9.07(c), from and after the effective date specified in such Assignment and Acceptance, the Agent shall make all payments hereunder and under any Notes in respect of the interest assigned thereby to the Lender assignee thereunder, and the parties to such Assignment and Acceptance shall make all appropriate adjustments in such payments for periods prior to such effective date directly between themselves. Upon any Assuming Lender becoming a Lender hereunder as a result of the effectiveness of an extension of the Termination Date pursuant to Section 2.16, and upon the Agent's receipt of such Lender's Assumption Agreement and recording the information contained therein in the Register, from and after the Increase Date or the Extension Date, as the case may be, the Agent shall make all payments hereunder and under any Notes in respect of the interest assumed thereby to the Assuming Lender.

(b) All computations of interest based on the Base Rate and of facility fees shall be made by the Agent on the basis of a year of 365 or 366 days, as the case may be, all computations of interest based on the Eurocurrency Rate or the Federal Funds Rate shall be made by the Agent on the basis of a year of 360 days and all computations in respect of Competitive Bid Advances shall be made by the Agent or the Sub-Agent, as the case may be, as specified in the applicable Notice of Competitive Bid Borrowing (or, in each case of Advances denominated in Foreign Currencies where market practice differs, in accordance with market practice), in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or facility fees are payable. Each determination by the Agent of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

(c) Whenever any payment hereunder or under the Notes shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or facility fee, as the case may be; provided, however, that, if such extension would cause payment of interest on or principal of Eurocurrency Rate Advances or LIBO Rate Advances to be made in the next following calendar month, such payment shall be made on the next preceding Business Day.

(d) Unless the Agent shall have received notice from any Borrower prior to the date on which any payment is due to the Lenders hereunder that such Borrower will not make such payment in full, the Agent may assume that such Borrower has made such payment in full to the Agent on such date and the Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent such Borrower shall not have so made such payment in full to the Agent, each Lender shall repay to the Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Agent, at (i) the Federal Funds Rate in the case of Advances denominated in Dollars or (ii) the cost of funds incurred by the Agent in respect of such amount in the case of Advances denominated in Foreign Currencies.

SECTION 2.13. Taxes. (a) Any and all payments by any Borrower hereunder or under the Notes shall be made, in accordance with Section 2.12, free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding, in the case of each Lender and the Agent, net income taxes imposed by the United States and taxes imposed on its overall net income, and franchise taxes imposed on it in lieu of net income taxes, by the jurisdiction under the laws of which such Lender or the Agent (as the case may be) is organized or any political subdivision thereof and, in the case of each Lender, taxes imposed on its overall net income, and franchise taxes imposed on it in lieu of net income taxes, by the jurisdiction of such Lender's Applicable Lending Office or any political subdivision thereof (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities in respect of payments hereunder or under the Notes being hereinafter referred to as "Taxes"). If any Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder or under any Note to any Lender or the Agent, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.13) such Lender or the Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) such Borrower shall make such deductions and (iii) such Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) In addition, each Borrower agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies that arise from any payment made hereunder or under the Notes or from the execution, delivery or registration of, performing under, or otherwise with respect to, this Agreement or the Notes (hereinafter referred to as "Other Taxes").

(c) Each Borrower shall indemnify each Lender and the Agent for the full amount of Taxes or Other Taxes (including, without limitation, any taxes imposed by any jurisdiction on amounts payable under this Section 2.13) imposed on or paid by such Lender or the Agent (as the case may be) and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto; provided, however, that a Borrower shall not be obligated to pay any amounts in respect of penalties, interest or expenses pursuant to this paragraph that are payable solely as a result of (i) the failure on the part of the pertinent Lender or the Agent to pay over those amounts received from the Borrowers under this clause (c) or (ii) the gross negligence or willful misconduct on the part of the pertinent Lender or the Agent. This indemnification shall be made within 30 days from the date such Lender or the Agent (as the case may be) makes written demand therefor. Each Lender agrees to provide reasonably prompt notice to the Agent, the Company and any Borrower of any imposition of Taxes or Other Taxes against such Lender; provided that failure to give such notice shall not affect such Lender's rights to indemnification hereunder. Each Lender agrees that it will, promptly upon a request by the Company or a Borrower having made an indemnification payment hereunder, furnish to the Company or such Borrower, as the case may be, such evidence as is reasonably available to such Lender as to the payment of the relevant Taxes or Other Taxes, and that it will, if requested by the Company or such Borrower, cooperate with the Company or such Borrower, as the case may be, in its efforts to obtain a refund or similar relief in respect of such payment.

(d) Within 30 days after the date of any payment of Taxes, each Borrower shall furnish to the Agent, at its address referred to in Section 9.02, the original or a certified copy of a receipt evidencing payment thereof. In the case of any payment hereunder or under the Notes by or on behalf of any Borrower through an account or branch outside the United States or by or on behalf of any Borrower by a payor that is not a United States person, if such Borrower determines that no Taxes are payable in respect thereof, such Borrower shall furnish, or shall cause such payor to furnish, to the Agent, at such address, an opinion of counsel acceptable to the Agent stating that such payment is exempt from Taxes. For purposes of this subsection (d) and subsection (e), the terms "United States" and "United States person" shall have the meanings specified in Section 7701 of the Internal Revenue Code.

(e) Each Lender organized under the laws of a jurisdiction outside the United States, on or prior to the date of its execution and delivery of this Agreement in the case of each Initial Lender and on the date of the Assignment and Acceptance or the Assumption Agreement, as the case may be, pursuant to which it becomes a Lender in the case of each other Lender, and from time to time thereafter as requested in writing by any Borrower (but only so long as such Lender remains lawfully able to do so), shall provide the Agent and each Borrower with two original Internal Revenue Service forms 1001 or 4224, as appropriate, or any successor or other form prescribed by the Internal Revenue Service, certifying that such Lender is exempt from or entitled to a reduced rate of United States withholding tax on payments pursuant to this Agreement or the Notes. In addition, each Lender further agrees to provide any Borrower with any form or document as any Borrower may request which is required by any taxing authority outside the United States in order to secure an exemption from, or reduction in the rate of, withholding tax. If the forms provided by a Lender at the time such Lender first becomes a party to this Agreement indicates a United States interest withholding tax rate in excess of zero, withholding tax at such rate shall be considered excluded from Taxes unless and until such Lender provides the appropriate forms certifying that a lesser rate applies, whereupon withholding tax at such lesser rate only shall be considered excluded from Taxes for periods governed by such form; provided, however, that, if at the date of the Assignment and Acceptance or the Assumption Agreement, as the case may be, pursuant to which a Lender becomes a party to this Agreement, such Lender was entitled to payments under subsection (a) in respect of United States withholding tax with respect to interest paid at such date, then, to such extent, the term Taxes shall include (in addition to withholding taxes that may be imposed in the future or other amounts otherwise includable in Taxes) United States withholding tax, if any, applicable with respect to such Lender on such date. If any form or document referred to in this subsection (e) requires the disclosure of information, other than information necessary to compute the tax payable and information required on the date hereof by Internal Revenue Service form 1001 or 4224, that a Lender reasonably considers to be confidential, such Lender shall give notice thereof to each Borrower and shall not be obligated to include in such form or document such confidential information.

(f) For any period with respect to which a Lender has failed to provide each Borrower with the appropriate form described in Section 2.13(e) (other than if such failure is due to a change in law occurring subsequent to the date on which a form originally was required to be provided, or if such form otherwise is not required under the first sentence of subsection (e) above), such Lender shall not be entitled to indemnification under Section 2.13(a) or (c) with respect to Taxes imposed by the United States by reason of such failure; provided, however, that should a Lender become subject to Taxes because of its failure to deliver a form required hereunder, each Borrower shall take such steps as such Lender

shall reasonably request to assist such Lender to recover such Taxes.

(g) If any Borrower is required to pay any additional amount to any Lender or to the Agent or on behalf of any of them to any taxing authority pursuant to this Section 2.13, such Lender shall, upon the written request of the Company delivered to such Lender and the Agent, assign, pursuant to and in accordance with the provisions of Section 9.07, all of its rights and obligations under this Agreement and under the Notes to an Eligible Assignee selected by the Company; provided, however, that (i) no Default shall have occurred and be continuing at the time of such request and at the time of such assignment; (ii) the assignee shall have paid to the assigning Lender the aggregate principal amount of, and any interest accrued and unpaid to the date of such assignment on, the Note or Notes of such Lender; (iii) the Company shall have paid to the assigning Lender any and all facility fees and other fees payable to such Lender and all other accrued and unpaid amounts owing to such Lender under any provision of this Agreement (including, but not limited to, any increased costs or other additional amounts owing under Section 2.10, and any indemnification for Taxes under this Section 2.13) as of the effective date of such assignment; and (iv) if the assignee selected by the Company is not an existing Lender, such assignee or the Company shall have paid the processing and recordation fee required under Section 9.07(a) for such assignment; provided further that the assigning Lender's rights under Sections 2.10, 2.13 and 9.04, and its obligations under Section 8.05, shall survive such assignment as to matters occurring prior to the date of assignment.

SECTION 2.14. Sharing of Payments, Etc. If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of setoff, or otherwise) on account of the Revolving Credit Advances owing to it (other than pursuant to Section 2.03, 2.05(b), 2.05(c), 2.10, 2.13, 2.16 or 9.04(c)) in excess of its ratable share of payments on account of the Revolving Credit Advances obtained by all the Lenders, such Lender shall forthwith purchase from the other Lenders such participations in the Revolving Credit Advances owing to them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; provided, however, that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (i) the amount of such Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. Each Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.14 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of setoff) with respect to such participation as fully as if such Lender were the direct creditor of such Borrower in the amount of such participation.

SECTION 2.15. Use of Proceeds. The proceeds of the Advances shall be available (and each Borrower agrees that it shall use such proceeds) solely to finance, or to backstop commercial paper issued in connection with, the acquisition of AMP Inc. and for other general corporate purposes of such Borrower and its Subsidiaries, including, without limitation, backstop of commercial paper.

SECTION 2.16. Extension of Termination Date. (a) At least 45 (but no earlier than 60) days prior to each anniversary date hereof and provided all representations and warranties are true and correct in all material respects and no Event of Default has occurred and is continuing, the Company may, at its option, by written notice to the Agent, request that the Lenders extend for an additional 364 days from the Termination Date then in effect; provided, however, that the Company shall not have made the Term Loan Election for Advances outstanding on such Termination Date prior to such time. Each Lender, in its sole discretion, shall consent or not consent to such extension and shall notify the Agent of its consent or nonconsent to such extension within 20 Business Days of notice of such request from the Agent. If all of the Lenders consent in writing, the then applicable Termination Date shall, effective as at such anniversary date (the "Extension Date"), be extended for a period of 364 days from such Extension Date.

(b) If not all of the Lenders consent, pursuant to subsection (a) of this Section 2.16, to an extension of the Termination Date then in effect (the Lenders so consenting in writing being the "Consenting Lenders", and any Lender not so consenting being a "Non-Consenting Lender"), the Company may:

(i) arrange for one or more Consenting Lenders or other Eligible Assignees as Assuming Lenders to assume, effective on the Extension Date, any Non-Consenting Lender's Commitment and all of the obligations of such Lender under this Agreement thereafter arising, and effective on such Extension Date, each such Consenting Lender or such Assuming Lender will be substituted for such Non-Consenting Lender under this Agreement; provided, however, that the amount of the Commitment of any such Assuming Lender as a result of such

substitution shall in no event be less than \$10,000,000; provided further that (i) any such Consenting Lender or Assuming Lender shall have paid to such Non-Consenting Lender the aggregate principal amount of, and any interest accrued and unpaid to the date of the assignment on, the Advances of such Non-Consenting Lender; (ii) the Company shall have paid to such Non-Consenting Lender any and all facility fees and other fees payable to such Non-Consenting Lender and all other accrued and unpaid amounts owing to such Non-Consenting Lender under any provision of this Agreement (including, but not limited to, any increased costs or other additional amounts owing under Section 2.10, and any indemnification for Taxes under this Section 2.13) as of the effective date of such assignment; and (iii) with respect to any such Assuming Lender, such Assuming Lender or the Company shall have paid the applicable processing and recordation fee required under Section 9.07(a) for such assignment; provided further that such Non-Consenting Lender's rights under Sections 2.10, 2.13 and 9.04, and its obligations under Section 8.05, shall survive such substitution as to matters occurring prior to the date of substitution; provided further that, on or prior to the tenth day prior to the Extension Date, (x) any such Assuming Lender shall have delivered to the Company and the Agent an Assumption Agreement in substantially the form of Exhibit D hereto, duly executed by such Assuming Lender, such Non-Consenting Lender and the Company, (y) any such Consenting Bank shall have delivered confirmation in writing satisfactory to the Agent as to its increased Commitment and (z) each Non-Consenting Lender being replaced pursuant to this clause (i) shall have delivered to the Agent any Revolving Credit Note or Notes held by such Non-Consenting Lender; and provided further that, if requested by any Assuming Lender, each Borrower, at its own expense, shall have executed and delivered to the Agent no later than 10:00 A.M. (New York City time) on the Extension Date, Revolving Credit Notes payable to the order of each such Assuming Lender, if any, dated as of the Extension Date and substantially in the form of Exhibit A-1 hereto; or

(ii) subject to the giving of notice to such Non-Consenting Lender at least four days prior to the Extension Date, pay, prepay or cause to be prepaid, on and effective as of the Extension Date, all principal of, and interest accrued to the date of such payment on, Advances and all other amounts owing to such Non-Consenting Lender hereunder (including, but not limited to, any increased costs or other additional amounts owing under Section 2.10 and any indemnification for Taxes under Section 2.13) and terminate in whole any Non-Consenting Lender's Commitment, notwithstanding the provisions of Section 2.05; and, upon such payment or prepayment, the obligations of such Non-Consenting Lender hereunder shall, by the provisions hereof, be released and discharged; provided, however, that such Non-Consenting Lender's rights under Sections 2.10, 2.13 and 9.04, and its obligations under Section 8.05 shall survive such release and discharge as to matters occurring prior to the Extension Date.

(c) In the event that, on or prior to the then applicable Extension Date, all Non-Consenting Lenders shall have been superseded by Consenting Lenders or Assuming Lenders or shall have had their Commitments terminated pursuant to subsection (b)(i) or (b)(ii) above, the Termination Date then in effect shall be extended for the additional one-year period as described in subsection (a) above, each Non-Consenting Lender shall have no further Commitment hereunder, and each Assuming Lender, if any, shall thereafter be substituted as a party to this Agreement and be a Lender for the purposes of this Agreement, without any further acknowledgment by or the consent of the Lenders. The Agent shall thereupon promptly deliver the new Revolving Credit Notes to the respective Assuming Lenders requesting such Notes and record in the Register the relevant information with respect to each Consenting Lender and each such Assuming Lender.

(d) In the event that (x) as to a Non-Consenting Lender, neither procedure contemplated by subsection (b)(i) or (b)(ii) above is implemented in a timely basis or (y) the Company shall, by written notice to the Agent at least four days prior to the Extension Date, withdraw its request for the extension of the Termination Date then in effect, such request by the Company shall be deemed not to have been made, all actions theretofore taken under subsection (b)(i) or (b)(ii) above shall be deemed to be of no effect, the Agent shall return any Revolving Credit Notes received from any Non-Consenting Lender to such Non-Consenting Lender and all the rights and obligations of the parties shall continue as if no such request had been made.

SECTION 2.17. Evidence of Debt. (a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of each Borrower to such Lender resulting from each Revolving Credit Advance owing to such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder in respect of Revolving Credit Advances. Each Borrower agrees that upon request of any Lender to such Borrower (with a copy of such notice to the Agent) that such Lender receive a Revolving Credit Note to evidence (whether for purposes of pledge, enforcement or otherwise) the Revolving Credit Advances owing to, or to be made by, such Lender, such Borrower shall promptly execute and deliver to such Lender a Revolving Credit Note payable to the order of such Lender in a principal amount up to

the Commitment of such Lender.

(b) The Register maintained by the Agent pursuant to Section 9.07(d) shall include a control account, and a subsidiary account for each Lender, in which accounts (taken together) shall be recorded (i) the date and amount of each Borrowing made hereunder, the Type of Advances comprising such Borrowing and, if appropriate, the Interest Period applicable thereto, (ii) the terms of each Assumption Agreement and each Assignment and Acceptance delivered to and accepted by it, (iii) the amount of any principal or interest due and payable or to become due and payable from each Borrower to each Lender hereunder and (iv) the amount of any sum received by the Agent from each Borrower hereunder and each Lender's share thereof.

(c) Entries made in good faith by the Agent in the Register pursuant to subsection (b) above, and by each Lender in its account or accounts pursuant to subsection (a) above, shall be prima facie evidence of the amount of principal and interest due and payable or to become due and payable from the Borrowers to, in the case of the Register, each Lender and, in the case of such account or accounts, such Lender, under this Agreement, absent manifest error; provided, however, that the failure of the Agent or such Lender to make an entry, or any finding that an entry is incorrect, in the Register or such account or accounts shall not limit or otherwise affect the obligations of any Borrower under this Agreement.

### ARTICLE III

#### CONDITIONS TO EFFECTIVENESS AND LENDING

SECTION 3.01. Conditions Precedent to Effectiveness of Sections 2.01 and 2.03. Sections 2.01 and 2.03 of this Agreement shall become effective on and as of the first date (the "Effective Date") on which the following conditions precedent have been satisfied:

(a) There shall have occurred no Material Adverse Change since December 31, 1997.

(b) There shall exist no action, suit, investigation, litigation or proceeding affecting the Company or any of its Subsidiaries pending or to the knowledge of the Company Threatened before any court, governmental agency or arbitrator that (i) is reasonably likely to have a Material Adverse Effect, other than the matters described on Schedule 3.01(b) hereto (the "Disclosed Litigation") or (ii) purports to affect the legality, validity or enforceability of this Agreement or any Note of the Company or the consummation of the transactions contemplated hereby, and there shall have been no adverse change in the status, or financial effect on the Company or any of its Subsidiaries, of the Disclosed Litigation from that described on Schedule 3.01(b) hereto.

(c) The Company shall have paid all accrued fees and expenses of the Agent and the Lenders in respect of this Agreement.

(d) On the Effective Date, the following statements shall be true and the Agent shall have received a certificate signed by a duly authorized officer of the Company, dated the Effective Date, stating that:

(i) The representations and warranties contained in Section 4.01 are correct on and as of the Effective Date, and

(ii) No event has occurred and is continuing that constitutes a Default.

(e) The Agent shall have received on or before the Effective Date the following, each dated such day, in form and substance satisfactory to the Agent:

(i) The Revolving Credit Notes of the Company to the order of the Lenders to the extent requested by any Lender pursuant to Section 2.17.

(ii) Certified copies of the resolutions of the Board of Directors of the Company approving this Agreement and the Notes of the Company, and of all documents evidencing other necessary corporate action and governmental approvals, if any, with respect to this Agreement and such Notes.

(iii) A certificate of the Secretary or an Assistant Secretary of the Company certifying the names and true signatures of the officers of the Company authorized to sign this Agreement and the Notes of the Company and the other documents to be delivered hereunder.

(iv) Authenticated copies of the Certificate of Incorporation and By-Laws of the Company.

(v) A favorable opinion of J. Edward Smith, Senior Counsel of the Company, substantially in the form of Exhibit G hereto and as to such other matters as any Lender through the Agent may reasonably request.

(vi) A favorable opinion of Shearman & Sterling, counsel for the Agent, substantially in the form of Exhibit I hereto.

(vii) Such other approvals, opinions or documents as any Lender, through the Agent, may reasonably request.

SECTION 3.02. Initial Loan to Each Designated Subsidiary. The obligation of each Lender to make an initial Advance to each Designated Subsidiary following any designation of such Designated Subsidiary as a Borrower hereunder pursuant to Section 9.08 is subject to the Agent's receipt on or before the date of such Initial Advance of each of the following, in form and substance satisfactory to the Agent and dated such date, and (except for the Revolving Credit Notes) in sufficient copies for each Lender:

(a) The Revolving Credit Notes of such Borrower to the order of the Lenders to the extent requested by any Lender pursuant to Section 2.17.

(b) Certified copies of the resolutions of the Board of Directors of such Borrower (with a certified English translation if the original thereof is not in English) approving this Agreement and the Notes of such Borrower, and of all documents evidencing other necessary corporate action and governmental approvals, if any, with respect to this Agreement and such Notes.

(c) A certificate of the Secretary or an Assistant Secretary of such Borrower certifying the names and true signatures of the officers of such Borrower authorized to sign this Agreement and the Notes of such Borrower and the other documents to be delivered hereunder.

(d) A certificate signed by a duly authorized officer of the Company, dated as of the date of such Initial Advance, certifying that such Borrower shall have obtained all governmental and third party authorizations, consents, approvals (including exchange control approvals) and licenses required under applicable laws and regulations necessary for such Borrower to execute and deliver this Agreement and the Notes and to perform its obligations thereunder.

(e) The Designation Letter of such Designated Subsidiary, substantially in the form of Exhibit E hereto.

(f) Evidence of the Process Agent's acceptance of its appointment pursuant to Section 9.13(a) as the agent of such Borrower, substantially in the form of Exhibit F hereto.

(g) A favorable opinion of counsel to such Designated Subsidiary, dated the date of such Initial Advance, substantially in the form of Exhibit H hereto.

(h) Such other approvals, opinions or documents as any Lender, through the Agent, may reasonably request.

SECTION 3.03. Conditions Precedent to Each Revolving Credit Borrowing. The obligation of each Lender to make a Revolving Credit Advance on the occasion of each Revolving Credit Borrowing shall be subject to the conditions precedent that the Effective Date shall have occurred and on the date of such Revolving Credit Borrowing (a) the following statements shall be true (and each of the giving of the applicable Notice of Revolving Credit Borrowing and the acceptance by the Borrower requesting such Revolving Credit Borrowing of the proceeds of such Revolving Credit Borrowing shall constitute a representation and warranty by such Borrower that on the date of such Borrowing such statements are true):

(i) the representations and warranties of the Company contained in Section 4.01 (except the representations set forth in the last sentence of subsection (e) thereof and in subsections (f), (h)-(l) and (n) thereof) are correct on and as of the date of such Revolving Credit Borrowing, before and after giving effect to such Revolving Credit Borrowing and to the application of the proceeds therefrom, as though made on and as of such date, and additionally, if such Revolving Credit Borrowing shall have been requested by a Designated Subsidiary, the representations and warranties of such Designated Subsidiary contained in its Designation Letter are correct on and as of the date of such Revolving Credit Borrowing, before and after giving effect to such Revolving Credit Borrowing and to the application of the proceeds therefrom, as though made on and as of such date, and

(ii) no event has occurred and is continuing, or would result from such Revolving Credit Borrowing or from the application of the proceeds therefrom, that constitutes a Default;

and (b) the Agent shall have received such other approvals, opinions or documents as any Lender through the Agent may reasonably request.

SECTION 3.04. Conditions Precedent to Each Competitive Bid Borrowing. The obligation of each Lender that is to make a Competitive Bid Advance on the occasion of a Competitive Bid Borrowing to make such Competitive Bid Advance as part of such Competitive Bid Borrowing is subject to the conditions precedent that (i) the Agent shall have received the written confirmatory Notice of Competitive Bid Borrowing with respect thereto, (ii) on or before the date of such Competitive Bid Borrowing, but prior to such Competitive Bid Borrowing, the Agent shall have received a Competitive Bid Note payable to the order of such Lender and substantially in the form of Exhibit A-2 hereto for each of the one or more Competitive Bid Advances to be made by such Lender as part of such Competitive Bid Borrowing, in a principal amount equal to the principal amount of the Competitive Bid Advance to be evidenced thereby and otherwise on such terms as were agreed to for such Competitive Bid Advance in accordance with Section 2.03, and (iii) on the date of such Competitive Bid Borrowing the following statements shall be true (and each of the giving of the applicable Notice of Competitive Bid Borrowing and the acceptance by the Borrower requesting such Competitive Bid Borrowing of the proceeds of such Competitive Bid Borrowing shall constitute a representation and warranty by such Borrower that on the date of such Competitive Bid Borrowing such statements are true):

(a) the representations and warranties of the Company contained in Section 4.01 (except the representations set forth in the last sentence of subsection (e) thereof and in subsections (f), (h)-(l) and (n) thereof) are correct on and as of the date of such Competitive Bid Borrowing, before and after giving effect to such Competitive Bid Borrowing and to the application of the proceeds therefrom, as though made on and as of such date, and, if such Competitive Bid Borrowing shall have been requested by a Designated Subsidiary, the representations and warranties of such Designated Subsidiary contained in its Designation Letter are correct on and as of the date of such Competitive Bid Borrowing, before and after giving effect to such Competitive Bid Borrowing and to the application of the proceeds therefrom, as though made on and as of such date,

(b) no event has occurred and is continuing, or would result from such Competitive Bid Borrowing or from the application of the proceeds therefrom, that constitutes a Default, and

(c) no event has occurred and no circumstance exists as a result of which the information concerning such Borrower that has been provided to the Agent and each Lender by such Borrower in connection herewith would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading,

and (iv) the Agent shall have received such other approvals, opinions or documents as any Lender through the Agent may reasonably request.

SECTION 3.05. Determinations Under Section 3.01. For purposes of determining compliance with the conditions specified in Section 3.01, each Lender shall be deemed to have consented to, approved or accepted or to be satisfied with each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to the Lenders unless an officer of the Agent responsible for the transactions contemplated by this Agreement shall have received notice from such Lender prior to the date that the Company, by notice to the Lenders, designates as the proposed Effective Date, specifying its objection thereto. The Agent shall promptly notify the Lenders of the occurrence of the Effective Date.

#### ARTICLE IV

##### REPRESENTATIONS AND WARRANTIES

SECTION 4.01. Representations and Warranties of the Company. The Company represents and warrants as follows:

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

(b) The execution, delivery and performance by the Company of this Agreement and the Notes of the Company, and the consummation of the transactions contemplated hereby, are within the Company's corporate powers, have been duly authorized by all necessary corporate action, and do not and will not cause or constitute a violation of any provision of law or regulation or any provision of the Certificate of Incorporation or By-Laws of the Company or result in the breach of, or constitute a default or require any consent under, or result in the creation of any lien, charge or encumbrance upon any of the properties, revenues, or assets of the Company pursuant to, any indenture or other agreement or instrument to which the Company is a

party or by which the Company or its property may be bound or affected.

(c) No authorization, consent, approval (including any exchange control approval), license or other action by, and no notice to or filing or registration with, any governmental authority, administrative agency or regulatory body or any other third party is required for the due execution, delivery and performance by the Company of this Agreement or the Notes of the Company.

(d) This Agreement has been, and each of the Notes when delivered hereunder will have been, duly executed and delivered by the Company. This Agreement is, and each of the Notes of the Company when delivered hereunder will be, the legal, valid and binding obligation of the Company enforceable against the Company in accordance with their respective terms, except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally.

(e) The Consolidated balance sheet of the Company and its Consolidated Subsidiaries as at December 31, 1997, and the related Consolidated statements of income and cash flows of the Company and its Consolidated Subsidiaries for the fiscal year then ended (together with the notes to the financial statements of the Company and its Consolidated Subsidiaries and the Consolidated statements of cash flows of the Company and its Consolidated Subsidiaries), accompanied by an opinion of one or more nationally recognized firms of independent public accountants, and the Consolidated balance sheet of the Company and its Consolidated Subsidiaries as at June 30, 1998, and the related Consolidated statements of income and cash flows of the Company and its Consolidated Subsidiaries for the six months then ended, duly certified by the principal financial officer of the Company, copies of which have been furnished to each Lender, are materially complete and correct, and fairly present, subject, in the case of said balance sheet as at June 30, 1998, and said statements of income and cash flows for the six months then ended, to year-end audit adjustments, the Consolidated financial condition of the Company and its Consolidated Subsidiaries as at such dates and the Consolidated results of the operations of the Company and its Consolidated Subsidiaries for the periods ended on such dates, all in accordance with GAAP consistently applied, except as otherwise noted therein; the Company and its Consolidated Subsidiaries do not have on such date any material contingent liabilities, liabilities for taxes, unusual forward or long-term commitments or unrealized or anticipated losses from any unfavorable commitments, except as referred to or reflected or provided for in such balance sheet or the notes thereto as at such date. Since December 31, 1997, there has been no Material Adverse Change.

(f) There is no action, suit, investigation, litigation or proceeding, including, without limitation, any Environmental Action, pending or to the knowledge of the Company Threatened affecting the Company or any of its Subsidiaries before any court, governmental agency or arbitrator that (i) is reasonably likely to have a Material Adverse Effect (other than the Disclosed Litigation), or (ii) purports to affect the legality, validity or enforceability of this Agreement or any Note or the consummation of the transactions contemplated hereby, and there has been no adverse change in the status, or financial effect on the Company or any of its Subsidiaries, of the Disclosed Litigation from that described on Schedule 3.01(b) hereto.

(g) Following application of the proceeds of each Advance, not more than 25 percent of the value of the assets (either of the Borrower of such Advance or of such Borrower and its Subsidiaries on a Consolidated basis) subject to the provisions of Section 5.02(a) or subject to any restriction contained in any agreement or instrument between such Borrower and any Lender or any Affiliate of any Lender relating to Debt and within the scope of Section 6.01(e) will be margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System).

(h) The Company and each wholly-owned direct Subsidiary of the Company have, in the aggregate, met their minimum funding requirements under ERISA with respect to their Plans in all material respects and have not incurred any material liability to the PBGC, other than for the payment of premiums, in connection with such Plans.

(i) No ERISA Event has occurred or is reasonably expected to occur with respect to any Plan of the Company or any of its ERISA Affiliates that has resulted in or is reasonably likely to result in a material liability of the Company or any of its ERISA Affiliates.

(j) The Schedules B (Actuarial Information) to the [1997] annual reports (Form 5500 Series) with respect to each Plan of the Company or any of its ERISA Affiliates, copies of which have been filed with the Internal Revenue Service (and which will be furnished to any Bank through the Administrative Agent upon the request of such Bank through the Administrative Agent to the Company), are complete and accurate in



all material respects and fairly present in all material respects the funding status of such Plans at such date, and since the date of each such Schedule B there has been no material adverse change in funding status.

(k) Neither the Company nor any of its ERISA Affiliates has incurred or reasonably expects to incur any Withdrawal Liability to any Multiemployer Plan in an annual amount exceeding 6% of Net Tangible Assets of the Company and its Consolidated Subsidiaries.

(l) Neither the Company nor any of its ERISA Affiliates has been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganization or has been terminated, within the meaning of Title IV of ERISA. No such Multiemployer Plan is reasonably expected to be in reorganization or to be terminated, within the meaning of Title IV of ERISA, in a reorganization or termination which might reasonably be expected to result in a liability of the Company in an amount in excess of \$5,000,000.

(m) The Company is not, and immediately after the application by the Company of the proceeds of each Loan will not be, (a) an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or (b) a "holding company" within the meaning of the Public Utility Holding Company Act of 1935, as amended.

(n) To the best of the Company's knowledge, the operations and properties of the Company and its Subsidiaries taken as a whole comply in all material respects with all Environmental Laws, all necessary Environmental Permits have been applied for or have been obtained and are in effect for the operations and properties of the Company and its Subsidiaries and the Company and its Subsidiaries are in compliance in all material respects with all such Environmental Permits. To the best of the Company's knowledge no circumstances exist that would be reasonably likely to form the basis of an Environmental Action against the Company or any of its Subsidiaries or any of their properties that could have a Material Adverse Effect.

## ARTICLE V

### COVENANTS OF THE BORROWER

SECTION 5.01. Affirmative Covenants. So long as any Advance shall remain unpaid or any Lender shall have any Commitment hereunder, the Company will:

(a) Compliance with Laws, Etc. Comply, and cause each Designated Subsidiary to comply with all applicable laws, rules, regulations and orders, such compliance to include, without limitation, compliance with ERISA and Environmental Laws as provided in Section 5.01(j), if failure to comply with such requirements would have a Material Adverse Effect.

(b) Payment of Taxes, Etc. Pay and discharge, and cause each Designated Subsidiary to pay and discharge, all taxes, assessments and governmental charges or levies imposed upon it or on its income or profits or upon any of its property; provided, however, that neither the Company nor any of its Subsidiaries shall be required to pay or discharge any such tax, assessment, charge or claim that is being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained.

(c) Maintenance of Insurance. Maintain, and cause each Designated Subsidiary to maintain, insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Company or such Subsidiary operates.

(d) Preservation of Corporate Existence, Etc. Preserve and maintain, and cause each Designated Subsidiary to preserve and maintain, its corporate existence and all its material rights (charter and statutory) privileges and franchises; provided, however, that the Company and each Designated Subsidiary may consummate any merger, consolidation or sale of assets permitted under Section 5.02(b).

(e) Visitation Rights. At any reasonable time and from time to time, permit the Agent or any of the Lenders or any agents or representatives thereof, to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Company and any Designated Subsidiary, and to discuss the affairs, finances and accounts of the Company and any Designated Subsidiary with any of their officers or directors and with their independent certified public accountants.

(f) Keeping of Books. Keep, and cause each Designated Subsidiary to keep, proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and

business of the Company and each Designated Subsidiary in accordance with generally accepted accounting principles in effect from time to time.

(g) Maintenance of Properties, Etc. Maintain and preserve, and cause each Designated Subsidiary to maintain and preserve, all of its properties that are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted; provided, however, that neither the Company nor any of its Designated Subsidiaries shall be required to maintain or preserve any property if the failure to maintain or preserve such property shall not have a Material Adverse Effect.

(h) Reporting Requirements. Furnish to the Agent (with a copy for each Lender) and the Agent shall promptly forward the same to the Lenders:

(i) as soon as available and in any event within 60 days after the end of each of the first three quarters of each fiscal year of the Company, a Consolidated balance sheet of the Company and its Consolidated Subsidiaries as of the end of such quarter and a Consolidated statement of income and cash flows of the Company and its Consolidated Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, setting forth in each case in comparative form the corresponding figures as of the corresponding date and for the corresponding period of the preceding fiscal year, all in reasonable detail and certified by the principal financial officer, principal accounting officer, the Vice-President and Treasurer or an Assistant Treasurer of the Company, subject, however, to year-end auditing adjustments, which certificate shall include a statement that such officer has no knowledge, except as specifically stated, of any condition, event or act which constitutes a Default;

(ii) as soon as available and in any event within 120 days after the end of each fiscal year of the Company, a Consolidated balance sheet of the Company and its Consolidated Subsidiaries as of the end of such fiscal year and the related Consolidated statements of income and cash flows of the Company and its Consolidated Subsidiaries for such fiscal year setting forth in each case in comparative form the corresponding figures as of the close of and for the preceding fiscal year, all in reasonable detail and accompanied by an opinion of independent public accountants of nationally recognized standing, as to said financial statements and a certificate of the principal financial officer, principal accounting officer, the Vice-President and Treasurer or an Assistant Treasurer of the Company stating that such officer has no knowledge, except as specifically stated, of any condition, event or act which constitutes a Default;

(iii) copies of the Forms 8-K and 10-K reports (or similar reports) which the Company is required to file with the Securities and Exchange Commission of the United States of America, promptly after the filing thereof;

(iv) copies of each annual report, quarterly report, special report or proxy statement mailed to substantially all of the stockholders of the Company, promptly after the mailing thereof to the stockholders;

(v) immediate notice of the occurrence of any Default of which the principal financial officer, principal accounting officer, the Vice-President and Treasurer or an Assistant Treasurer of the Company shall have knowledge;

(vi) as soon as available and in any event within 15 days after the Company or any of its ERISA Affiliates knows or has reason to know that any ERISA Event has occurred, a statement of a senior officer of the Company with responsibility for compliance with the requirements of ERISA describing such ERISA Event and the action, if any, which the Company or such ERISA Affiliate proposes to take with respect thereto;

(vii) at the request of any Lender, promptly after the filing thereof with the Internal Revenue Service, copies of Schedule B (Actuarial Information) to each annual report (Form 5500 series) filed by the Company or any of its ERISA Affiliates with respect to each Plan;

(viii) promptly after receipt thereof by the Company or any of its ERISA Affiliates, copies of each notice from the PBGC stating its intention to terminate any Plan or to have a trustee appointed to administer any Plan;

(ix) promptly after such request, such other documents and information relating to any Plan as any Lender may reasonably request from time to time;

(x) promptly and in any event within five Business Days after receipt thereof by the Company or any of its ERISA Affiliates from the sponsor of a Multiemployer Plan, copies of each notice concerning (A) (x) the imposition of Withdrawal Liability in an amount in excess of \$5,000,000 with respect to any one Multiemployer Plan or in an aggregate amount in excess of \$25,000,000 with respect to all such Multiemployer Plans within any one calendar year or (y) the reorganization or termination, within the meaning of Title IV of ERISA, of any Multiemployer Plan that has resulted or might reasonably be expected to result in Withdrawal Liability in an amount in excess of \$5,000,000 or of all such Multiemployer Plans that has resulted or might reasonably be expected to result in Withdrawal Liability in an aggregate amount in excess of \$25,000,000 within any one calendar year and (B) the amount of liability incurred, or that may be incurred, by the Company or any of its ERISA Affiliates in connection with any event described in such subclause (x) or (y);

(xi) promptly after the commencement thereof, notice of all actions and proceedings before any court, governmental agency or arbitrator affecting the Borrower or any Designated Subsidiary of the type described in Section 4.01(f); and

(xii) from time to time such further information respecting the financial condition and operations of the Company and its Subsidiaries as any Lender may from time to time reasonably request.

(i) Authorizations. Obtain, and cause each Designated Subsidiary to obtain, at any time and from time to time all authorizations, licenses, consents or approvals (including exchange control approvals) as shall now or hereafter be necessary or desirable under applicable law or regulations in connection with its making and performance of this Agreement and, upon the request of any Lender, promptly furnish to such Lender copies thereof.

(j) Compliance with Environmental Laws. Comply, and cause each of its Subsidiaries and all lessees and other Persons operating or occupying its properties to comply, in all material respects, with all applicable Environmental Laws and Environmental Permits; obtain and renew and cause each of its Subsidiaries to obtain and renew all Environmental Permits necessary for its operations and properties; and conduct, and cause each of its Subsidiaries to conduct, any investigation, study, sampling and testing, and undertake any cleanup, removal, remedial or other action necessary to remove and clean up all Hazardous Materials from any of its properties, in accordance with the requirements of all Environmental Laws; provided, however, that neither the Company nor any of its Subsidiaries shall be required to undertake any such cleanup, removal, remedial or other action to the extent that its obligation to do so is being contested in good faith and by proper proceedings and appropriate reserves are being maintained with respect to such circumstances.

(k) Change of Control. If a Change of Control shall occur, within ten calendar days after the occurrence thereof, provide the Agent with notice thereof, describing therein in reasonable detail the facts and circumstances giving rise to such Change in Control.

SECTION 5.02. Negative Covenants. So long as any Advance shall remain unpaid or any Lender shall have any Commitment hereunder, the Company will not:

(a) Liens, Etc. Issue, assume or guarantee, or permit any of its Subsidiaries owning Restricted Property to issue, assume or guarantee, any Debt secured by Liens on or with respect to any Restricted Property without effectively providing that its obligations to the Lenders under this Agreement and any of the Notes shall be secured equally and ratably with such Debt so long as such Debt shall be so secured, except that the foregoing shall not apply to:

(i) Liens affecting property of the Company or any of its Subsidiaries existing on the Effective Date in effect as of the date hereof or of any corporation existing at the time it becomes a Subsidiary of the Company or at the time it is merged into or consolidated with the Company or a Subsidiary of the Company;

(ii) Liens on property of the Company or its Subsidiaries existing at the time of acquisition thereof or incurred to secure the payment of all or part of the purchase price thereof or to secure Debt incurred prior to, at the time of or within 24 months after acquisition thereof for the purpose of financing all or part of the purchase price thereof;

(iii) Liens on property of the Company or its Subsidiaries (in the case of property that is, in the opinion of the Board of Directors of the Company, substantially unimproved

for the use intended by the Company) to secure all or part of the cost of improvement thereof, or to secure Debt incurred to provide funds for any such purpose;

(iv) Liens which secure only Debt owing by a Subsidiary of the Company to the Company or to another Subsidiary of the Company;

(v) Liens in favor of the United States of America, any State, any foreign country, or any department, agency, instrumentality, or political subdivisions of any such jurisdiction, to secure partial, progress, advance or other payments pursuant to any contract or statute or to secure any Debt incurred for the purpose of financing all or any part of the purchase price or cost of constructing or improving the property subject thereto, including, without limitation, Liens to secure Debt of the pollution control or industrial revenue bond type; or

(vi) any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any Lien referred to in the foregoing clauses (i) to (v) inclusive of any Debt secured thereby, provided that the principal amount of Debt secured thereby shall not exceed the principal amount of Debt so secured at the time of such extension, renewal or replacement, and that such extension, renewal or replacement Lien shall be limited to all or part of the property which secured the Lien extended, renewed or replaced (plus improvements on such property);

provided, however, that, the Company and any one or more Subsidiaries owning Restricted Property may issue, assume or guarantee Debt secured by Liens which would otherwise be subject to the foregoing restrictions in an aggregate principal amount which, together with the aggregate outstanding principal amount of all other Debt of the Company and its Subsidiaries owning Restricted Property that would otherwise be subject to the foregoing restrictions (not including Debt permitted to be secured under clause (i) through (vi) above) and the aggregate value of the Sale and Leaseback Transactions in existence at such time, does not at any one time exceed 10% of the Net Tangible Assets of the Company and its Consolidated Subsidiaries; and provided further that the following type of transaction, among others, shall not be deemed to create Debt secured by Liens: Liens required by any contract or statute in order to permit the Company or any of its Subsidiaries to perform any contract or subcontract made by it with or at the request of the United States of America, any foreign country or any department, agency or instrumentality of any of the foregoing jurisdictions.

(b) Mergers, Etc. Merge or consolidate with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to, any Person; provided, however, that the Company may merge or consolidate with any other Person so long as the Company is the surviving corporation and so long as no Default shall have occurred and be continuing at the time of such proposed transaction or would result therefrom.

(c) Minimum Net Worth. At any time, permit the amount of Consolidated total assets in excess of Consolidated total liabilities to be less than \$3,100,000,000.

(d) Indebtedness of Domestic Subsidiaries. Permit the amount of Debt incurred by its Domestic Subsidiaries to exceed \$500,000,000; provided, however, that the following shall not be included in determining compliance with this Section 5.02(d):

(i) Debt of a Domestic Subsidiary of the Company owed to the Company or another Subsidiary of the Company;

(ii) Debt existing on the Effective Date (the "Existing Debt"), and any Debt extending the maturity of, or renewing or replacing (or successive extensions, renewals or replacements), in whole or in part, such Debt; and

(iii) Debt incurred by a Domestic Subsidiary of the Company prior to the date it became a Subsidiary of the Company (and any extension, renewal or replacement (or successive extensions, renewals or replacements) in whole or in part thereof).

## ARTICLE VI

### EVENTS OF DEFAULT

SECTION 6.01. Events of Default. If any of the following events ("Events of Default") shall occur and be continuing:

(a) Any Borrower shall fail to pay: (i) any principal of any Advance when the same becomes due and payable; (ii) any facility fees, utilization fees or any interest on any Advance payable under this Agreement or any Note within three Business Days after the same becomes due and payable; or (iii) any other fees or other amounts payable under this Agreement or any Notes within 30 days after the same becomes due and payable other than those fees and amounts the liabilities for which are being contested in good faith by such Borrower and which have been placed in Escrow by such Borrower; or

(b) Any representation or warranty made (or deemed made) by any Borrower (or any of its officers) in connection with this Agreement or by any Designated Subsidiary in the Designation Letter pursuant to which such Designated Subsidiary became a Borrower hereunder shall prove to have been incorrect in any material respect when made (or deemed made); or

(c) The Company shall repudiate its obligations under, or shall default in the due performance or observance of, any term, covenant or agreement contained in Article VII of this Agreement; or

(d) (i) The Company shall fail to perform or observe any other term, covenant or agreement contained in Section 5.02(a) or (c) and such failure shall remain unremedied for a period of 30 days after any Lender shall have given notice thereof to the Company (through the Agent), or (ii) the Company or any other Borrower shall fail to perform or to observe any other term, covenant or agreement contained in this Agreement on its part to be performed or observed and such failure shall remain unremedied for a period of 30 days after any Lender shall have given notice thereof to the relevant Borrower or, in the case of the Company, any of the principal financial officer, the principal accounting officer, the Vice-President and Treasurer or an Assistant Treasurer of the Company, and in the case of any other Borrower, a responsible officer of such Borrower, first has knowledge of such failure; or

(e) (i) The Company or any of its Consolidated or Designated Subsidiaries shall fail to pay any principal of or premium or interest on any Debt (other than Debt owed to the Company or its Subsidiaries or Affiliates) that is outstanding in a principal amount of at least \$100,000,000 in the aggregate (but excluding Debt outstanding hereunder and Debt owed by such party to any bank, financial institution or other institutional lender to the extent the Borrower or any Subsidiary has deposits with such bank, financial institution or other institutional lender sufficient to repay such Debt) of the Company or such Subsidiary (as the case may be), when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt, or (ii) any other event shall occur or condition shall exist under any agreement or instrument relating to any such Debt and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the maturity of such Debt, or (iii) any such Debt shall be declared to be due and payable, or required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), purchased or defeased, or an offer to prepay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity thereof; provided, however, that, for purposes of this Section 6.01(e), in the case of (x) Debt of any Person (other than the Company or one of its Consolidated Subsidiaries) which the Company has guaranteed and (y) Debt of Persons (other than the Company or one of its Consolidated Subsidiaries) the payment of which is secured by a Lien on property of the Company or such Subsidiary, such Debt shall be deemed to have not been paid when due or to have been declared to be due and payable only when the Company or such Subsidiary, as the case may be, shall have failed to pay when due any amount which it shall be obligated to pay with respect to such Debt; provided further, however, that any event or occurrence described in this subsection (e) shall not be an Event of Default if (A) such event or occurrence relates to the Debt of any Subsidiary of the Company located in China, India, the Commonwealth of Independent States or Turkey (collectively, the "Exempt Countries"), (B) such Debt is not guaranteed or supported in any legally enforceable manner by any Borrower or by any Subsidiary or Affiliate of the Company located outside the Exempt Countries, (C) such event or occurrence is due to the direct or indirect action of any government entity or agency in any Exempt Country and (D) as of the last day of the calendar quarter immediately preceding such event or occurrence, the book value of the assets of such Subsidiary does not exceed \$80,000,000 and the aggregate book value of the assets of all Subsidiaries of the Company located in Exempt Countries the Debt of which would cause an Event of Default to occur but for the effect of this proviso does not exceed \$300,000,000; or

(f) The Company or any of its Designated or Consolidated Subsidiaries shall generally not pay its debts as such debts become

due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Company or any such Subsidiaries seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 30 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or the Company or any such Subsidiaries shall take any corporate action to authorize any of the actions set forth above in this subsection (f); provided, however, that any event or occurrence described in this subsection (f) shall not be an Event of Default if (A) such event or occurrence relates to any Subsidiary of the Company located in an Exempt Country, (B) the Debt of such Subsidiary is not guaranteed or supported in any legally enforceable manner by any Borrower or by any Subsidiary or Affiliate of the Company located outside the Exempt Countries, (C) such event or occurrence is due to the direct or indirect action of any government entity or agency in any Exempt Country and (D) as of the last day of the calendar quarter immediately preceding such event or occurrence, the book value of the assets of such Subsidiary does not exceed \$80,000,000 and the aggregate book value of the assets of all Subsidiaries of the Company located in Exempt Countries with respect to which the happening of the events or occurrences described in this subsection (f) would cause an Event of Default to occur but for the effect of this proviso does not exceed \$300,000,000; or

(g) Any judgment or order for the payment of money in excess of \$100,000,000 shall be rendered against the Company or any of its Subsidiaries and enforcement proceedings shall have been commenced by any creditor upon such judgment or order and there shall be any period of 10 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; provided, however, that any such judgment or order shall not be an Event of Default under this Section 6.01(g) if (A) such judgment or order is rendered against any Subsidiary of the Company located in an Exempt Country, (B) the Debt of such Subsidiary is not guaranteed or supported in any legally enforceable manner by any Borrower or by any Subsidiary or Affiliate of the Company located outside the Exempt Countries, (C) such judgment or order is due to the direct or indirect action of any government entity or agency in any Exempt Country and (D) as of the last day of the calendar quarter immediately preceding the tenth consecutive day of the stay period referred to above, the book value of the assets of such Subsidiary does not exceed \$80,000,000 and the aggregate book value of the assets of all Subsidiaries of the Company located in Exempt Countries the judgments and orders against which would cause an Event of Default to occur but for the effect of this proviso does not exceed \$300,000,000; or

(h) Any non-monetary judgment or order shall be rendered against the Company or any of its Subsidiaries that is reasonably likely to have a Material Adverse Effect, and enforcement proceedings shall have been commenced by any Person upon such judgment or order and there shall be any period of 10 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(i) Any license, consent, authorization or approval (including exchange control approvals) now or hereafter necessary to enable the Company or any Designated Subsidiary to comply with its obligations herein or under any Notes of such Borrower shall be modified, revoked, withdrawn, withheld or suspended; or

(j) (i) Any ERISA Event shall have occurred with respect to a Plan of any Borrower or any of its ERISA Affiliates and the sum (determined as of the date of occurrence of such ERISA Event) of the Insufficiency of such Plan and the Insufficiency of any and all other Plans of the Borrowers and their ERISA Affiliates with respect to which an ERISA Event shall have occurred and then exist (or the liability of the Borrowers and their ERISA Affiliates related to such ERISA Event) exceeds \$100,000,000; or (ii) any Borrower or any of its ERISA Affiliates shall be in default, as defined in Section 4219(c)(5) of ERISA, with respect to any payment of Withdrawal Liability and the sum of the outstanding balance of such Withdrawal Liability and the outstanding balance of any other Withdrawal Liability that any Borrower or any of its ERISA Affiliates has incurred exceeds 6% of Net Tangible Assets of the Company and its Consolidated Subsidiaries; or (iii) any Borrower or any of its ERISA Affiliates shall have been notified by the sponsor of a Multiemployer Plan of such Borrower or

any of its ERISA Affiliates that such Multiemployer Plan is in reorganization or is being terminated, within the meaning of Title IV of ERISA, and as a result of such reorganization or termination the aggregate annual contributions of the Borrowers and their ERISA Affiliates to all Multiemployer Plans that are then in reorganization or being terminated have been or will be increased over the amounts contributed to such Multiemployer Plans for the plan years of such Multiemployer Plans immediately preceding the plan year in which such reorganization or termination occurs by an amount exceeding \$100,000,000; or

then, and (i) in any such event (except as provided in clause (ii) below), the Agent (A) shall at the request, or may with the consent, of the Majority Lenders, by notice to the Company, declare the obligation of each Lender to make Advances to be terminated, whereupon the same shall forthwith terminate, and (B) shall at the request, or may with the consent, of the Majority Lenders, by notice to the Company, declare the Advances, all interest thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the Advances, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrowers and (ii) in the case of the occurrence of any Event of Default described in clause (i) or (ii) of Section 6.01(a), the Agent shall, at the request, or may with the consent, of the Lenders which have made or assumed under this Agreement at least 66-2/3% of the aggregate principal amount (based in respect of Competitive Bid Advances denominated in Foreign Currencies on the Equivalent in Dollars on the date of such request) of Competitive Bid Advances then outstanding and to whom such Advances are owed, by notice to the Company, declare the full unpaid principal of and accrued interest on all Competitive Bid Advances hereunder and all other obligations of the Borrowers hereunder to be immediately due and payable, whereupon such Advances and such obligations shall be immediately due and payable, without presentment, demand, protest or other further notice of any kind, all of which are hereby expressly waived by the Borrowers; provided, however, that in the event of an actual or deemed entry of an order for relief with respect to any Borrower under the United States Bankruptcy Code of 1978, as amended, (x) the obligation of each Lender to make Advances shall automatically be terminated and (y) the Advances, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrowers.

## ARTICLE VII

### GUARANTEE

SECTION 7.01. Unconditional Guarantee. For valuable consideration, receipt whereof is hereby acknowledged, and to induce each Lender to make Advances to the Designated Subsidiaries and to induce the Agent to act hereunder, the Company hereby unconditionally and irrevocably guarantees to each Lender and the Agent that:

(a) the principal of and interest on each Advance to each Designated Subsidiary shall be promptly paid in full when due (whether at stated maturity, by acceleration or otherwise) in accordance with the terms hereof, and, in case of any extension of time of payment, in whole or in part, of such Advance, that all such sums shall be promptly paid when due (whether at stated maturity, by acceleration or otherwise) in accordance with the terms of such extension; and

(b) all other amounts payable hereunder by any Designated Subsidiary to any Lender or the Agent or the Sub-Agent, as the case may be, shall be promptly paid in full when due in accordance with the terms hereof (the obligations of the Designated Subsidiaries under these subsections (a) and (b) of this Section 7.01 being the "Obligations").

In addition, the Company hereby unconditionally and irrevocably agrees that upon default in the payment when due (whether at stated maturity, by acceleration or otherwise) of any principal of, or interest on, any Advance to any Designated Subsidiary or such other amounts payable by any Designated Subsidiary to any Lender or the Agent, the Company will forthwith pay the same, without further notice or demand.

SECTION 7.02. Guarantee Absolute. The Company guarantees that the Obligations will be paid strictly in accordance with the terms of this Agreement, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of any Lender or the Agent with respect thereto. The liability of the Company under this guarantee shall be absolute and unconditional irrespective of:

(a) any lack of validity or enforceability of this Agreement or any other agreement or instrument relating thereto;

(b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other

amendment or waiver of or any consent to departure from this Agreement (including, without limitation, any extension of the Termination Date pursuant to Section 2.16);

(c) any exchange, release or non-perfection of any collateral, or any release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Obligations; or

(d) any other circumstance which might otherwise constitute a defense available to, or a discharge of, the Company, any Borrower or a guarantor.

This guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Obligations is rescinded or must otherwise be returned by any of the Lenders or the Agent upon the insolvency, bankruptcy or reorganization of the Company or any Borrower or otherwise, all as though such payment had not been made.

SECTION 7.03. Waivers. The Company hereby expressly waives diligence, presentment, demand for payment, protest, any requirement that any right or power be exhausted or any action be taken against any Designated Subsidiary or against any other guarantor of all or any portion of the Advances, and all other notices and demands whatsoever.

SECTION 7.04. Remedies. Each of the Lenders and the Agent may pursue its respective rights and remedies under this Article VII and shall be entitled to payment hereunder notwithstanding any other guarantee of all or any part of the Advances to the Designated Subsidiaries, and notwithstanding any action taken by any such Lender or the Agent to enforce any of its rights or remedies under such other guarantee, or any payment received thereunder. The Company hereby irrevocably waives any claim or other right that it may now or hereafter acquire against any Designated Subsidiary that arises from the existence, payment, performance or enforcement of the Company's obligations under this Article VII, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of the Agent or the Lenders against any Designated Subsidiary, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from the Designated Subsidiary, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim, remedy or right. If any amount shall be paid to the Company in violation of the preceding sentence at any time when all the Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of the Lenders and the Agent and shall forthwith be paid to the Agent for its own account and the accounts of the respective Lenders to be credited and applied to the Obligations, whether matured or unmatured, in accordance with the terms of this Agreement, or to be held as collateral for any Obligations or other amounts payable under this Agreement thereafter arising. The Company acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by this Agreement and that the waiver set forth in this section is knowingly made in contemplation of such benefits.

SECTION 7.05. No Stay. The Company agrees that, as between (a) the Company and (b) the Lenders and the Agent, the Obligations of any Designated Subsidiary guaranteed by the Company hereunder may be declared to be forthwith due and payable as provided in Article VI hereof for purposes of this Article VII by declaration to the Company as guarantor notwithstanding any stay, injunction or other prohibition preventing such declaration as against such Designated Subsidiary and that, in the event of such declaration to the Company as guarantor, such Obligations (whether or not due and payable by such Designated Subsidiary), shall forthwith become due and payable by the Company for purposes of this Article VII.

SECTION 7.06. Survival. This guarantee is a continuing guarantee and shall (a) remain in full force and effect until payment in full (after the Termination Date) of the Obligations and all other amounts payable under this guaranty, (b) be binding upon the Company, its successors and assigns, (c) inure to the benefit of and be enforceable by each Lender (including each Assuming Lender and each assignee Lender pursuant to Section 9.07) and the Agent and their respective successors, transferees and assigns and (d) shall be reinstated if at any time any payment to a Lender or the Agent hereunder is required to be restored by such Lender or the Agent. Without limiting the generality of the foregoing clause (c), each Lender may assign or otherwise transfer its interest in any Advance to any other person or entity, and such other person or entity shall thereupon become vested with all the rights in respect thereof granted to such Lender herein or otherwise.

## ARTICLE VIII

### THE AGENT

SECTION 8.01. Authorization and Action. Each Lender hereby appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers and discretion under this Agreement as



are delegated to the Agent by the terms hereof, together with such powers and discretion as are reasonably incidental thereto. As to any matters not expressly provided for by this Agreement (including, without limitation, enforcement or collection of the Notes), the Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Majority Lenders, and such instructions shall be binding upon all Lenders and all holders of Notes; provided, however, that the Agent shall not be required to take any action that exposes the Agent to personal liability or that is contrary to this Agreement or applicable law. The Agent agrees to give to each Lender prompt notice of each notice given to it by any Borrower pursuant to the terms of this Agreement.

SECTION 8.02. Agent's Reliance, Etc. Neither the Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement, except for its or their own gross negligence or willful misconduct. Without limitation of the generality of the foregoing, the Agent: (a) may treat the Lender that made any Advance as the holder of the Debt resulting therefrom until the Agent receives and accepts an Assignment and Acceptance entered into by such Lender, as assignor, and an Eligible Assignee, as assignee, as provided in Section 9.07; (b) may consult with legal counsel (including counsel for the Company), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (c) makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations (whether written or oral) made in or in connection with this Agreement; (d) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement on the part of any Borrower or to inspect the property (including the books and records) of any Borrower; (e) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; and (f) shall incur no liability under or in respect of this Agreement by acting upon any notice, consent, certificate or other instrument or writing (which may be by telecopier, telegram or telex) believed by it to be genuine and signed or sent by the proper party or parties.

SECTION 8.03. Citibank and Affiliates. With respect to its Commitment, the Advances made by it and the Note issued to it, Citibank shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though it were not the Agent; and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated, include Citibank in its individual capacity. Citibank and its Affiliates may accept deposits from, lend money to, act as trustee under indentures of, accept investment banking engagements from and generally engage in any kind of business with, the Company, any of its Subsidiaries and any Person who may do business with or own securities of the Company or any such Subsidiary, all as if Citibank were not the Agent and without any duty to account therefor to the Lenders.

SECTION 8.04. Lender Credit Decision. Each Lender acknowledges that it has, independently and without reliance upon the Agent or any other Lender and based on the financial statements referred to in Section 4.01 and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement.

SECTION 8.05. Indemnification. The Lenders agree to indemnify the Agent (to the extent not reimbursed by a Borrower), ratably according to the respective principal amounts of the Revolving Credit Notes then held by each of them (or if no Revolving Credit Notes are at the time outstanding or if any Revolving Credit Notes are held by Persons that are not Lenders, ratably according to the respective amounts of their Commitments), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against the Agent in any way relating to or arising out of this Agreement or any action taken or omitted by the Agent under this Agreement, provided that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Agent's gross negligence or willful misconduct. Without limitation of the foregoing, each Lender agrees to reimburse the Agent promptly upon demand for its ratable share of any out-of-pocket expenses (including counsel fees) incurred by the Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, to the extent that the Agent is not reimbursed for such expenses by a Borrower.

SECTION 8.06. Successor Agent. The Agent may resign at any time by giving written notice thereof to the Lenders and the Company and may be removed at any time with or without cause by the Majority Lenders. The Company may at any time, by notice to the Agent, propose a successor Agent (which shall meet the criteria described below) specified in such notice and request that the Lenders be notified thereof by the Agent with a view to their removal of the Agent and their appointment of such successor Agent; the Agent agrees to forward any such notice to the Lenders promptly upon its receipt by the Agent. Upon any such resignation or removal, the Majority Lenders shall have the right to appoint a successor Agent. If no successor Agent shall have been so appointed by the Majority Lenders, and shall have accepted such appointment, within 30 days after the retiring Agent's giving of notice of resignation or the Majority Lenders' removal of the retiring Agent, then the retiring Agent may, on behalf of the Lenders, appoint a successor Agent, which shall be a commercial bank organized under the laws of the United States of America or of any State thereof and having a combined capital and surplus of at least \$500,000,000. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, discretion, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Agent's resignation or removal hereunder as Agent, the provisions of this Article VIII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement.

SECTION 8.07. Sub-Agent. The Sub-Agent has been designated under this Agreement to carry out duties of the Agent. The Sub-Agent shall be subject to each of the obligations in this Agreement to be performed by the Sub-Agent, and each of the Borrowers and the Lenders agrees that the Sub-Agent shall be entitled to exercise each of the rights and shall be entitled to each of the benefits of the Agent under this Agreement as relate to the performance of its obligations hereunder.

#### ARTICLE IX

#### MISCELLANEOUS

SECTION 9.01. Amendments, Etc. No amendment or waiver of any provision of this Agreement or the Revolving Credit Notes, nor consent to any departure by any Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Majority Lenders, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment, waiver or consent shall, unless in writing and signed by all the Lenders, do any of the following: (a) increase the Commitments of the Lenders or subject the Lenders to any additional obligations, (b) reduce the principal of, or interest on, the Revolving Credit Advances or any fees or other amounts payable hereunder, (c) postpone any date fixed for any payment of principal of, or interest on, the Revolving Credit Advances or any fees or other amounts payable hereunder (other than as permitted by Section 2.16 to the extent any Lender consents thereunder), (d) release the Company from any of its obligations under Article VII or (e) require the duration of an Interest Period to be nine months if such period is not available to all Lenders; and provided further that no amendment, waiver or consent shall, unless in writing and signed by the Agent in addition to the Lenders required above to take such action, affect the rights or duties of the Agent under this Agreement or any Note.

SECTION 9.02. Notices, Etc. All notices and other communications provided for hereunder shall be in writing (including telecopier, telegraphic or telex communication) and mailed (return receipt requested), telecopied, telegraphed, telexed or delivered, if to the Company or to any Designated Subsidiary, at the Company's address at 101 Columbia Road, Morristown, New Jersey 07962-1219, Attention: Assistant Treasurer; if to any Initial Lender, at its Domestic Lending Office specified opposite its name on Schedule I hereto; if to any other Lender, at its Domestic Lending Office specified in the Assumption Agreement or the Assignment and Acceptance pursuant to which it became a Lender; and if to the Agent, at its address at Two Penns Way, New Castle, Delaware 19720, Attention: Bank Loan Syndications Department, with a copy to 399 Park Avenue, New York, New York 10043, Attention: \_\_\_\_\_; or, as to any Borrower or the Agent, at such other address as shall be designated by such party in a written notice to the other parties and, as to each other party, at such other address as shall be designated by such party in a written notice to the Company and the Agent. All such notices and communications shall, when mailed, telecopied, telegraphed or telexed, be effective when deposited in the mails, telecopied, delivered to the telegraph company or confirmed by telex answerback, respectively, except that notices and communications to the Agent pursuant to Article II, III or VIII shall not be effective until received by the Agent. Delivery by telecopier of an executed counterpart of any amendment or waiver of any provision of this Agreement or the Notes or of any Exhibit hereto to be executed and delivered hereunder shall be effective as delivery of a manually executed counterpart thereof.

SECTION 9.03. No Waiver; Remedies. No failure on the part of any Lender or the Agent to exercise, and no delay in exercising, any right hereunder or under any Note shall operate as a waiver thereof; nor shall

any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 9.04. Costs and Expenses. (a) The Company agrees to pay on demand all costs and expenses of the Agent in connection with the administration, modification and amendment of this Agreement, the Notes and the other documents to be delivered hereunder, including, without limitation, (i) all due diligence, syndication (including printing, distribution and bank meetings), transportation, computer, duplication, appraisal, consultant, and audit expenses and (ii) the reasonable fees and expenses of counsel for the Agent with respect thereto. The Company further agrees to pay on demand all costs and expenses of the Agent and the Lenders, if any (including, without limitation, reasonable counsel fees and expenses), in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Agreement, the Notes and the other documents to be delivered hereunder, including, without limitation, reasonable fees and expenses of counsel for the Agent and each Lender in connection with the enforcement of rights under this Section 9.04(a).

(b) Each Borrower agrees to indemnify and hold harmless the Agent and each Lender and each of their Affiliates and their officers, directors, employees, agents and advisors (each, an "Indemnified Party") from and against any and all claims, damages, losses, liabilities and expenses (including, without limitation, reasonable fees and expenses of counsel) that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or by reason of, or in connection with the preparation for a defense of, any investigation, litigation or proceeding arising out of, related to or in connection with the Notes, this Agreement, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Advances whether or not such investigation, litigation or proceeding is brought by the Company, its directors, shareholders or creditors or an Indemnified Party or any other Person or any Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated, except to the extent any such claim, damage, loss, liability or expense has resulted from such Indemnified Party's gross negligence or willful misconduct. The Company also agrees not to assert any claim against any Indemnified Party on any theory of liability for special, indirect, consequential or punitive damages arising out of or otherwise relating to the Notes, this Agreement, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Advances.

(c) If any payment of principal of, or Conversion of, any Eurocurrency Rate Advance or LIBO Rate Advance is made by the Borrower to or for the account of a Lender other than on the last day of the Interest Period for such Advance, as a result of a payment or Conversion pursuant to Section 2.03(d), 2.05(b), 2.09(a) or (b), 2.11 or 2.16, acceleration of the maturity of the Notes pursuant to Section 6.01 or for any other reason, the Borrower shall, upon demand by such Lender (with a copy of such demand to the Agent), pay to the Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses that it may reasonably incur as a result of such payment or Conversion, including, without limitation, any loss (including loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such Advance.

(d) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in Sections 2.10, 2.13 and 9.04 shall survive the payment in full of principal, interest and all other amounts payable hereunder and under the Notes and the termination in whole of any Commitment hereunder.

SECTION 9.05. Right of Set-off. Upon (a) the occurrence and during the continuance of any Event of Default and (b) the making of the request or the granting of the consent specified by Section 6.01 to authorize the Agent to declare the Notes due and payable pursuant to the provisions of Section 6.01, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender or such Affiliate to or for the credit or the account of any Borrower against any and all of the obligations of such Borrower now or hereafter existing under this Agreement and the Note of such Borrower held by such Lender, whether or not such Lender shall have made any demand under this Agreement or such Note and although such obligations may be unmaturred. Each Lender agrees promptly to notify the relevant Borrower after any such set-off and application, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Lender and its Affiliates under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) that such Lender and its Affiliates may have.

SECTION 9.06. Binding Effect. This Agreement shall become

effective (other than Sections 2.01 and 2.03, which shall only become effective upon satisfaction of the conditions precedent set forth in Section 3.01) when it shall have been executed by the Company and the Agent and when the Agent shall have been notified by each Initial Lender that such Initial Lender has executed it and thereafter shall be binding upon and inure to the benefit of each Borrower, the Agent and each Lender and their respective successors and assigns, except that no Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of the Lenders.

SECTION 9.07. Assignments and Participations. (a) Each Lender may at any time, with notice to the Company prior to making any proposal to any potential assignee and with the consent of the Company, which consent shall not be unreasonably withheld (and shall at any time, if requested to do so by the Company pursuant to Section 2.05(b), 2.10 or 2.13) assign to one or more Persons all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment, the Revolving Credit Advances owing to it and the Revolving Credit Note or Notes held by it); provided, however, that (i) the Company's consent shall not be required (A) in the case of an assignment to an Affiliate of such Lender, provided that notice thereof shall have been given to the Company and the Agent, or (B) in the case of an assignment of the type described in subsection (g) below; (ii) each such assignment shall be of a constant, and not a varying, percentage of all rights and obligations under this Agreement (other than any right to make Competitive Bid Advances, Competitive Bid Advances owing to it and Competitive Bid Notes); (iii) except in the case of an assignment to a Person that, immediately prior to such assignment, was a Lender or an assignment of all of a Lender's rights and obligations under this Agreement, the amount of the Commitment of the assigning Lender being assigned pursuant to each such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event be less than \$10,000,000 or an integral multiple of \$1,000,000 in excess thereof; (iv) each such assignment shall be to an Eligible Assignee; and (v) the parties to each such assignment shall execute and deliver to the Agent, for its acceptance and recording in the Register, an Assignment and Acceptance, together with a processing and recordation fee of \$3,500 and, if the assigning Lender is not retaining a Commitment hereunder, any Revolving Credit Note subject to such assignment. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Assignment and Acceptance, (x) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, have the rights and obligations of a Lender hereunder and (y) the Lender assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto, provided, however, that such assigning Lender's rights under Sections 2.10, 2.13 and 9.04, and its obligations under Section 8.05, shall survive such assignment as to matters occurring prior to the effective date of such assignment).

(b) By executing and delivering an Assignment and Acceptance, the Lender assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or any other instrument or document furnished pursuant hereto or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; (ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Borrower or the performance or observance by such Borrower of any of its obligations under this Agreement or any other instrument or document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the financial statements referred to in Section 4.01 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the Agent, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such assignee confirms that it is an Eligible Assignee; (vi) such assignee appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers and discretion under this Agreement as are delegated to the Agent by the terms hereof, together with such powers and discretion as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all of the obligations that by the terms of this Agreement are required to be performed by it as a Lender.

(c) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an assignee representing that it is an Eligible Assignee, together with any Revolving Credit Note or Notes subject to such

assignment, the Agent shall, if such Assignment and Acceptance has been completed and is in substantially the form of Exhibit C hereto, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Company and to each other Borrower.

(d) The Agent shall maintain at its address referred to in Section 9.02 a copy of each Assumption Agreement and each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of the Lenders and the Commitment of, and principal amount of the Advances owing to, each Lender from time to time (the "Register"). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Company, each other Borrower, the Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Company, any other Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(e) Each Lender may sell participations to one or more banks or other entities (other than the Company or any of its Affiliates) in or to all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment, the Advances owing to it and any Note or Notes held by it); provided, however, that (i) such Lender's obligations under this Agreement (including, without limitation, its Commitment to the Company and the other Borrowers hereunder) shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) such Lender shall remain the holder of any such Note for all purposes of this Agreement, (iv) the Company, any other Borrower, the Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, (v) no participant under any such participation shall have any right to approve any amendment or waiver of any provision of this Agreement or any Note, or any consent to any departure by any Borrower therefrom, except to the extent that such amendment, waiver or consent would reduce the principal of, or interest on, the Notes or any fees or other amounts payable hereunder, in each case to the extent subject to such participation, or postpone any date fixed for any payment of principal of, or interest on, the Notes or any fees or other amounts payable hereunder, in each case to the extent subject to such participation and (vi) within 30 days of the effective date of such participation, such Lender shall provide notice of such participation to the Company.

(f) Any Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 9.07, disclose to the assignee or participant or proposed assignee or participant, any information relating to the Company or any Borrower furnished to such Lender by or on behalf of such Borrower; provided that, prior to any such disclosure, the assignee or participant or proposed assignee or participant shall agree to preserve the confidentiality of any confidential information relating to such Borrower received by it from such Lender.

(g) Notwithstanding any other provision set forth in this Agreement, any Lender may at any time create a security interest in all or any portion of its rights under this Agreement (including, without limitation, the Advances owing to it and any Note or Notes held by it) in favor of any Federal Reserve Bank in accordance with Regulation A of the Board of Governors of the Federal Reserve System.

SECTION 9.08. Designated Subsidiaries. (a) Designation. The Company may at any time, and from time to time, by delivery to the Agent of a Designation Letter duly executed by the Company and the respective Subsidiary and substantially in the form of Exhibit E hereto, designate such Subsidiary as a "Designated Subsidiary" for purposes of this Agreement and such Subsidiary shall thereupon become a "Designated Subsidiary" for purposes of this Agreement and, as such, shall have all of the rights and obligations of a Borrower hereunder. The Agent shall promptly notify each Lender of each such designation by the Company and the identity of the respective Subsidiary.

(b) Termination. Upon the payment and performance in full of all of the indebtedness, liabilities and obligations under this Agreement and the Notes of any Designated Subsidiary then, so long as at the time no Notice of Revolving Credit Borrowing or Notice of Competitive Bid Borrowing in respect of such Designated Subsidiary is outstanding, such Subsidiary's status as a "Designated Subsidiary" shall terminate upon notice to such effect from the Agent to the Lenders (which notice the Agent shall give promptly upon its receipt of a request therefor from the Company). Thereafter, the Lenders shall be under no further obligation to make any Advance hereunder to such Designated Subsidiary.

SECTION 9.09. Confidentiality. Each of the Lenders and the Agent hereby agrees that it will use reasonable efforts (e.g., procedures substantially comparable to those applied by such Lender or the Agent in respect of non-public information as to the business of such Lender or the Agent) to keep confidential any financial reports and other information

from time to time supplied to it by the Company hereunder to the extent that such information is not and does not become publicly available and which the Company indicates at the time is to be treated confidentially, provided, however, that nothing herein shall affect the disclosure of any such information (i) by the Agent to any Lender, (ii) to the extent required by law (including statute, rule, regulation or judicial process), (iii) to counsel for any Lender or the Agent or to their respective independent public accountants, (iv) to bank examiners and auditors and appropriate government examining authorities, (v) to the Agent or any other Lender, (vi) in connection with any litigation to which any Lender or the Agent is a party, (vii) to actual or prospective assignees and participants as contemplated by Section 9.07(f) or (viii) to any Affiliate of the Agent or any Lender or to such Affiliate's officers, directors, employees, agents and advisors, provided that, prior to any such disclosure, such Affiliate or such Affiliate's officers, directors, employees, agents or advisors, as the case may be, shall agree to preserve the confidentiality of any confidential information relating to the Company received by it; a determination by a Lender or the Agent as to the application of the circumstances described in the foregoing clauses (i)-(viii) being conclusive if made in good faith; and each of the Lenders and the Agent agrees that it will follow procedures which are intended to put any transferee of such confidential information on notice that such information is confidential.

SECTION 9.10. Mitigation of Yield Protection. Each Lender hereby agrees that, commencing as promptly as practicable after it becomes aware of the occurrence of any event giving rise to the operation of Section 2.10(a), 2.11 or 2.13 with respect to such Lender, such Lender will give notice thereof through the Agent to the respective Borrower. A Borrower may at any time, by notice through the Agent to any Lender, request that such Lender change its Applicable Lending Office as to any Advance or Type of Advance or that it specify a new Applicable Lending Office with respect to its Commitment and any Advance held by it or that it rebook any such Advance with a view to avoiding or mitigating the consequences of an occurrence such as described in the preceding sentence, and such Lender will use reasonable efforts to comply with such request unless, in the opinion of such Lender, such change or specification or rebooking is inadvisable or might have an adverse effect, economic or otherwise, upon it, including its reputation. In addition, each Lender agrees that, except for changes or specifications or rebookings required by law or effected pursuant to the preceding sentence, if the result of any change or change of specification of Applicable Lending Office or rebooking would, but for this sentence, be to impose additional costs or requirements upon the respective Borrower pursuant to Section 2.10(a), Section 2.11 or Section 2.13 (which would not be imposed absent such change or change of specification or rebooking) by reason of legal or regulatory requirements in effect at the time thereof and of which such Lender is aware at such time, then such costs or requirements shall not be imposed upon such Borrower but shall be borne by such Lender. All expenses incurred by any Bank in changing an Applicable Lending Office or specifying another Applicable Lending Office of such Lender or rebooking any Advance in response to a request from a Borrower shall be paid by such Borrower. Nothing in this Section 9.10 (including, without limitation, any failure by a Lender to give any notice contemplated in the first sentence hereof) shall limit, reduce or postpone any obligations of the respective Borrower under Section 2.10(a), Section 2.11 or Section 2.13, including any obligations payable in respect of any period prior to the date of any change or specification of a new Applicable Lending Office or any rebooking of any Advance.

SECTION 9.11. Governing Law. This Agreement and the Notes shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 9.12. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9.13. Jurisdiction, Etc. (a) Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the Notes, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in any such New York State court or, to the extent permitted by law, in such federal court. Each Designated Subsidiary hereby agrees that service of process in any such action or proceeding brought in the any such New York State court or in such federal court may be made upon CT Corporation System at its offices at 1633 Broadway, New York, New York 10019 (the "Process Agent") and each Designated Subsidiary hereby irrevocably appoints the Process Agent its authorized agent to accept such service of process, and agrees that the

failure of the Process Agent to give any notice of any such service shall not impair or affect the validity of such service or of any judgment rendered in any action or proceeding based thereon. Each Borrower hereby further irrevocably consents to the service of process in any action or proceeding in such courts by the mailing thereof by any parties hereto by registered or certified mail, postage prepaid, to such Borrower at its address specified pursuant to Section 9.02. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that any party may otherwise have to serve legal process in any other manner permitted by law or to bring any action or proceeding relating to this Agreement or the Notes in the courts of any jurisdiction. To the extent that each Designated Subsidiary has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property, each Designated Subsidiary hereby irrevocably waives such immunity in respect of its obligations under this Agreement.

(b) Each of the parties hereto irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the Notes in any New York State or federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

SECTION 9.14. Substitution of Currency. If a change in any Foreign Currency occurs pursuant to any applicable law, rule or regulation of any governmental, monetary or multi-national authority, this Agreement (including, without limitation, the definitions of Eurocurrency Rate and LIBO Rate) will be amended to the extent determined by the Agent (acting reasonably and in consultation with the Company) to be necessary to reflect the change in currency and to put the Lenders and the Borrowers in the same position, so far as possible, that they would have been in if no change in such Foreign Currency had occurred.

SECTION 9.15. Final Agreement. This written agreement represents the full and final agreement between the parties with respect to the matters addressed herein and supercedes all prior communications, written or oral, with respect thereto. There are no unwritten agreements between the parties.

SECTION 9.16. Judgment. (a) If for the purposes of obtaining judgment in any court it is necessary to convert a sum due hereunder or under the Notes in any currency (the "Original Currency") into another currency (the "Other Currency"), the parties hereto agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Agent could purchase the Original Currency with the Other Currency at 9:00 A.M. (New York City time) on the first Business Day preceding that on which final judgment is given.

(b) The obligation of each Borrower in respect of any sum due in the Original Currency from it to any Lender or the Agent hereunder or under the Revolving Credit Note or Revolving Credit Notes held by such Lender shall, notwithstanding any judgment in any Other Currency, be discharged only to the extent that on the Business Day following receipt by such Lender or the Agent (as the case may be) of any sum adjudged to be so due in such Other Currency, such Lender or the Agent (as the case may be) may in accordance with normal banking procedures purchase Dollars with such Other Currency; if the amount of Dollars so purchased is less than the sum originally due to such Lender or the Agent (as the case may be) in the Original Currency, such Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify such Lender or the Agent (as the case may be) against such loss, and if the amount of Dollars so purchased exceeds the sum originally due to any Lender or the Agent (as the case may be) in the Original Currency, such Lender or the Agent (as the case may be) agrees to remit to such Borrower such excess.

SECTION 9.17. Waiver of Jury Trial. Each Borrower, the Agent and each Lender hereby irrevocably waive all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or the Notes or the actions of the Agent or any Lender in the negotiation, administration, performance or enforcement thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

ALLIEDSIGNAL INC.

By: /s/ Richard F. Wallman  
-----  
Name: Richard F. Wallman  
Title: Senior Vice President  
and Chief Financial  
Officer

CITIBANK, N.A.,  
as Agent

By: /s/ Carolyn A. Kee  
-----  
Name: Carolyn A. Kee  
Title: Attorney-in-Fact

COMMITMENT:  
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\$140,000,000

THE LENDERS:  
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BANK OF AMERICA  
NATIONAL TRUST AND  
SAVINGS ASSOCIATION

By:/s/ W.L. Hess  
-----  
Name: W.L. Hess  
Title: Managing Director

\$140,000,000

BANQUE NATIONALE DE PARIS

By:/s/ Robert S. Taylor, Jr.  
-----  
Name: Robert S. Taylor, Jr.  
Title: Senior Vice President

By:/s/ Richard L. Sted  
-----  
Name: Richard L. Sted  
Title: Senior Vice President

\$140,000,000

BARCLAYS BANK PLC

By:/s/ Keith Mackie  
-----  
Name: Keith Mackie  
Title: Director

\$200,000,000

CITIBANK, N.A.

By:/s/ Carolyn A. Kee  
-----  
Name: Carolyn A. Kee  
Title: Attorney-in-Fact

\$140,000,000

DEUTSCHE BANK AG  
NEW YORK AND/OR  
CAYMAN ISLANDS BRANCHES

By:/s/ Jean M. Hannigan  
-----  
Name: Jean M. Hannigan  
Title: Vice President

By:/s/ Susan L. Pearson  
-----  
Name: Susan L. Pearson



Title: Vice President

\$140,000,000

MORGAN GUARANTY TRUST  
COMPANY OF NEW YORK

By:/s/ Christopher C. Kunhardt

-----  
Name: Christopher C. Kunhardt  
Title: Vice President

\$900,000,000

TOTAL OF COMMITMENTS

Name of Initial Lender	Domestic Lending	Eurocurrency Lending Office
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SCHEDULE I

APPLICABLE LENDING OFFICES

Name of Initial Lender	Domestic Lending	Eurocurrency Lending Office
BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION	Bank of America National Trust and Savings Association 1850 Gateway Boulevard Concord, CA 94520 Attn: Liz Taylor Phone: (510) 675-8243 Fax: (510) 675-7531	Bank of America National Trust and Savings Association 1850 Gateway Boulevard Concord, CA 94520 Attn: Liz Taylor Phone: (510) 675-8243 Fax: (212) 675-7531
BANQUE NATIONALE DE PARIS	Banque Nationale de Paris 499 Park Avenue New York, NY 10022 Attn: Robert S. Taylor Phone: (212) 415-9713 Fax: (212) 415-9606	Banque Nationale de Paris 499 Park Avenue New York, NY 10022 Attn: Robert S. Taylor Phone: (212) 415-9713 Fax: (212) 415-9606
BARCLAYS BANK PLC		
CITIBANK, N.A.	Citibank, N.A. 399 Park Avenue New York, NY 10043 Attn: Michael Mandracchia Phone: (212) 559-3245 Fax: (212) 826-2371	Citibank, N.A. 399 Park Avenue New York, NY 10043 Attn: Michael Mandracchia Phone: (212) 559-3245 Fax: (212) 826-2371
DEUTSCHE BANK AG NEW YORK AND/OR CAYMAN ISLANDS BRANCHES	Deutsche Bank AG New York Branch 31 West 52nd Street New York, NY 10019 Attn: Colin T. Taylor Phone: (212) 474-7904 Fax: (212) 474-8212	Deutsche Bank AG Cayman Islands Branch 31 West 52nd Street New York, NY 10019 Attn: Colin T. Taylor Phone: (212) 474-7904 Fax: (212) 474-8212
MORGAN GUARANTY TRUST COMPANY OF NEW YORK	Morgan Guaranty Trust Company of New York 60 Wall Street New York, NY 10260-0060 Attn: Credit Administration Phone: (212) 648-6974 Fax: (212) 648-5021	Morgan Guaranty Trust Company of New York 60 Wall Street New York, NY 10260-0060 Attn: Credit Administration Phone: (212) 648-6974 Fax: (212) 648-5021

SCHEDULE 3.01 (b)

DISCLOSED LITIGATION

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None

EXHIBIT A-1 - FORM OF  
REVOLVING CREDIT  
PROMISSORY NOTE

Dated: \_\_\_\_\_, 199\_

FOR VALUE RECEIVED, the undersigned, [NAME OF BORROWER], a  
\_\_\_\_\_ corporation (the "Borrower"), HEREBY PROMISES TO  
PAY to the order of \_\_\_\_\_ (the "Lender") for the  
account of its Applicable Lending Office on the later of the Termination  
Date (each as defined in the Credit Agreement referred to below) and the  
date designated pursuant to Section 2.06 of the Credit Agreement the  
aggregate principal amount of the Revolving Credit Advances made by the  
Lender to the Borrower pursuant to the 364-Day Backstop Credit Agreement  
dated as of October 9, 1998 among AlliedSignal Inc., the Lender and certain  
other lenders parties thereto, and Citibank, N.A., as Agent for the Lender  
and such other lenders (as amended or modified from time to time, the  
"Credit Agreement"; the terms defined therein being used herein as therein  
defined) outstanding on such date.

The Borrower promises to pay interest on the unpaid principal  
amount of each Revolving Credit Advance from the date of such Revolving  
Credit Advance until such principal amount is paid in full, at such  
interest rates, and payable at such times, as are specified in the Credit  
Agreement.

Both principal and interest in respect of each Revolving Credit  
Advance (i) in Dollars are payable in lawful money of the United States of  
America to Citibank, N.A., as Agent, at 399 Park Avenue, New York, New  
York 10043, in same day funds and (ii) in any Major Currency are payable  
in such currency at the applicable Payment Office in same day funds. Each  
Revolving Credit Advance owing to the Lender by the Borrower pursuant to  
the Credit Agreement, and all payments made on account of principal  
thereof, shall be recorded by the Lender and, prior to any transfer hereof,  
endorsed on the grid attached hereto which is part of this Promissory Note.

This Promissory Note is one of the Revolving Credit Notes  
referred to in, and is entitled to the benefits of, the Credit Agreement.  
The Credit Agreement, among other things, (i) provides for the making of  
Revolving Credit Advances by the Lender to the Borrower from time to time  
in an aggregate amount not to exceed at any time outstanding the Dollar  
amount first above mentioned or the Equivalent thereof in one or more Major  
Currencies, the indebtedness of the Borrower resulting from each such  
Revolving Credit Advance being evidenced by this Promissory Note, (ii)  
contains provisions for determining the Dollar Equivalent of Revolving  
Credit Advances denominated in Major Currencies and (iii) contains  
provisions for acceleration of the maturity hereof upon the happening of  
certain stated events and also for prepayments on account of principal  
hereof prior to the maturity hereof upon the terms and conditions therein  
specified.

The Borrower hereby waives presentment, demand, protest and  
notice of any kind. No failure to exercise, and no delay in exercising, any  
rights hereunder on the part of the holder hereof shall operate as a waiver  
of such rights.

This promissory note shall be governed by, and construed in  
accordance with the laws of the State of New York.

[NAME OF BORROWER]

By \_\_\_\_\_

Name:  
Title:



EXHIBIT A-2 - FORM OF  
COMPETITIVE BID  
PROMISSORY NOTE

Dated: \_\_\_\_\_, 199\_

FOR VALUE RECEIVED, the undersigned, [NAME OF BORROWER], a \_\_\_\_\_ corporation (the "Borrower"), HEREBY PROMISES TO PAY to the order of \_\_\_\_\_ (the "Lender") for the account of its Applicable Lending Office (as defined in the 364-Day Backstop Credit Agreement dated as of October 9, 1998 among AlliedSignal Inc., the Lender and certain other lenders parties thereto, and Citibank, N.A., as Agent for the Lender and such other lenders (as amended or modified from time to time, the "Credit Agreement"; the terms defined therein being used herein as therein defined)), on \_\_\_\_\_, the principal amount of [U.S.\$\_\_\_\_\_] [for a Competitive Bid Advance in a Foreign Currency, list currency and amount of such Advance].

The Borrower promises to pay interest on the unpaid principal amount hereof from the date hereof until such principal amount is paid in full, at the interest rate and payable on the interest payment date or dates provided below:

Interest Rate: [\_\_\_\_% per annum (calculated on the basis of a year of \_\_\_\_\_ days for the actual number of days elapsed)].

Interest Payment Date or Dates: \_\_\_\_\_

Both principal and interest are payable in lawful money of \_\_\_\_\_ to Citibank, N.A., as Agent, for the account of the Lender at the office of \_\_\_\_\_, at \_\_\_\_\_ in same day funds.

This Promissory Note is one of the Competitive Bid Notes referred to in, and is entitled to the benefits of, the Credit Agreement. The Credit Agreement, among other things, contains provisions for acceleration of the maturity hereof upon the happening of certain stated events.

The Borrower hereby waives presentment, demand, protest and notice of any kind. No failure to exercise, and no delay in exercising, any rights hereunder on the part of the holder hereof shall operate as a waiver of such rights.

This Promissory Note shall be governed by, and construed in accordance with, the laws of the State of New York.

[NAME OF BORROWER]

By \_\_\_\_\_  
Name:  
Title:

EXHIBIT B-1 - FORM OF NOTICE OF  
REVOLVING CREDIT BORROWING

Citibank, N.A., as Agent  
for the Lenders parties  
to the Credit Agreement  
referred to below  
Two Penns Way  
New Castle, Delaware 19720

[Date]

Attention: Bank Loan Syndication

Ladies and Gentlemen:

The undersigned, [Name of Borrower], refers to the 364-Day Backstop Credit Agreement, dated as of October 9, 1998 (as amended or modified from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined), among the undersigned, certain Lenders parties thereto, and Citibank, N.A., as Agent for said Lenders, and hereby gives you notice, irrevocably, pursuant to Section 2.02 of the Credit Agreement that the undersigned hereby requests a Revolving Credit Borrowing under the Credit Agreement, and in that connection sets forth below the information relating to such Revolving Credit Borrowing (the "Proposed Revolving Credit Borrowing") as required by Section 2.02(a) of the Credit Agreement:

(i) The Business Day of the Proposed Revolving Credit Borrowing is \_\_\_\_\_.

(ii) The Type of Advances comprising the Proposed Revolving Credit Borrowing is [Base Rate Advances] [Eurocurrency Rate Advances].

(iii) The aggregate amount of the Proposed Revolving Credit Borrowing is [\$\_\_\_\_\_] [for a Revolving Credit Borrowing in a Major Currency, list currency and amount of Revolving Credit Borrowing].

[(iv) The initial Interest Period for each Eurocurrency Rate Advance made as part of the Proposed Revolving Credit Borrowing is \_\_\_\_\_ month[s].]

The undersigned hereby certifies that the conditions precedent to this Revolving Credit Borrowing set forth in Section 3.03 of the Credit Agreement have been satisfied and the applicable statements contained therein are true on the date hereof, and will be true on the date of the Proposed Revolving Credit Borrowing.

Very truly yours,

[NAME OF BORROWER]

By \_\_\_\_\_  
Name:  
Title:

EXHIBIT B-2 - FORM OF NOTICE OF  
COMPETITIVE BID BORROWING

Citibank, N.A., as Agent  
for the Lenders parties  
to the Credit Agreement  
referred to below  
Two Penns Way  
New Castle, Delaware 19720

[Date]

Attention: Bank Loan Syndication

Ladies and Gentlemen:

The undersigned, [Name of Borrower], refers to the 364-Day Backstop Credit Agreement, dated as of October 9, 1998 (as amended or modified from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined), among AlliedSignal Inc., certain Lenders parties thereto and Citibank, N.A., as Agent for said Lenders, and hereby gives you notice, irrevocably, pursuant to Section 2.03 of the Credit Agreement that the undersigned hereby requests a Competitive Bid Borrowing under the Credit Agreement, and in that connection sets forth the terms on which such Competitive Bid Borrowing (the "Proposed Competitive Bid Borrowing") is requested to be made:

- (A)            Date of Competitive Bid Borrowing
- (B)            Aggregate Amount of Competitive Bid Borrowing
- (C)            [Maturity Date] [Interest Period]
- (D)            Interest Rate Basis
- (E)            Day Count Convention
- (F)            Interest Payment Date(s)
- (G)            [Currency]
- (H)            Borrower's Account Location
- (I)

The undersigned hereby certifies that the conditions precedent to this Competitive Bid Borrowing set forth in Section 3.04 of the Credit Agreement have been satisfied and the applicable statements contained therein are true on the date hereof, and will be true on the date of the Proposed Competitive Bid Borrowing.



The undersigned hereby confirms that the Proposed Competitive Bid Borrowing is to be made available to it in accordance with Section 2.03(a) (v) of the Credit Agreement.

Very truly yours,

[NAME OF BORROWER]

By \_\_\_\_\_  
Name:  
Title:

EXHIBIT C - FORM OF  
ASSIGNMENT AND ACCEPTANCE

Dated: \_\_\_\_\_

Reference is made to the 364-Day Backstop Credit Agreement dated as of October 9, 1998 (as amended or modified from time to time, the "Credit Agreement") among AlliedSignal Inc., a Delaware corporation (the "Borrower"), the Lenders (as defined in the Five-Year Credit Agreement), and Citibank, N.A., as agent (the "Agent") for the Lenders. Terms defined in the Credit Agreement are used herein with the same meaning.

\_\_\_\_\_ (the "Assignor") and \_\_\_\_\_ (the "Assignee") agree as follows:

1. The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, an interest in and to the Assignor's rights and obligations under the Credit Agreement as of the date hereof (other than in respect of Competitive Bid Advances and Competitive Bid Notes) equal to the percentage interest specified on Schedule 1 hereto of all outstanding rights and obligations under the Credit Agreement (other than in respect of Competitive Bid Advances and Competitive Bid Notes). After giving effect to such sale and assignment, the Assignee's Commitment and the amount of the Revolving Credit Advances in each relevant currency owing to the Assignee will be as set forth on Schedule 1 hereto.

2. The Assignor (i) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or any other instrument or document furnished pursuant thereto or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any other instrument or document furnished pursuant thereto; (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Borrower or the performance or observance by such Borrower of any of its obligations under the Credit Agreement or any other instrument or document furnished pursuant thereto; [and (iv) attaches the Revolving Credit Note held by the Assignor and requests that the Agent obtain from the Borrower a new Revolving Credit Note payable to the order of the Assignee with respect to the aggregate principal amount of the Revolving Credit Advances assumed by such Assignee pursuant hereto, substantially in the form of Exhibit A-1 to the Credit Agreement].

3. The Assignee (i) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements referred to in Section 4.01(e) thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (ii) agrees that it will, independently and without reliance upon the Agent, the Assignor or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) confirms that it is an Eligible Assignee; (iv) appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement as are delegated to the Agent by the terms thereof, together with such powers and discretion as are reasonably incidental thereto; (v) agrees that it will perform in accordance with their terms all of the obligations that by the terms of the Credit Agreement are required to be performed by it as a Lender; and (vi) attaches any U.S. Internal Revenue Service forms required under Section 2.13 of the Credit Agreement.

4. Following the execution of this Assignment and Acceptance, it will be delivered to the Agent for acceptance and recording by the Agent. The effective date for this Assignment and Acceptance (the "Effective Date") shall be the date of acceptance hereof by the Agent, unless otherwise specified on Schedule 1 hereto.

5. Upon such acceptance and recording by the Agent, as of the Effective Date, (i) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and (ii) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement, provided, however, that the Assignor's rights under Sections 2.10, 2.13 and 9.04 of the Credit Agreement, and its obligations under Section 8.05 of the Credit Agreement, shall survive the assignment pursuant to this Assignment and Acceptance as to matters occurring prior to the Effective Date.

6. Upon such acceptance and recording by the Agent, from and after the Effective Date, the Agent shall make all payments under the

Credit Agreement and the Revolving Credit Notes in respect of the interest assigned hereby (including, without limitation, all payments of principal, interest and facility fees with respect thereto) to the Assignee. The Assignor and Assignee shall make all appropriate adjustments in payments under the Credit Agreement and any Revolving Credit Notes for periods prior to the Effective Date directly between themselves.

7. This Assignment and Acceptance shall be governed by, and construed in accordance with, the laws of the State of New York.

8. This Assignment and Acceptance may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of Schedule 1 to this Assignment and Acceptance by telecopier shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance.

IN WITNESS WHEREOF, the Assignor and the Assignee have caused Schedule 1 to this Assignment and Acceptance to be executed by their officers thereunto duly authorized as of the date specified thereon.

Schedule 1  
to  
Assignment and Acceptance

Dated: \_\_\_\_\_

Section 1.  
-----

Percentage interest assigned: \_\_\_\_\_ %  
Assignee's Commitment: \$ \_\_\_\_\_

Section 2.  
-----

(a) Assigned Advances  
-----

Aggregate outstanding principal amount of Revolving Credit  
Advances in Dollars assigned: \$

Aggregate outstanding principal amount of Revolving Credit  
Advances in lawful money of the Republic of France assigned: Fr

Aggregate outstanding principal amount of Revolving Credit  
Advances in lawful currency of the United Kingdom of Great  
Britain and Northern Ireland assigned: (pound)

Aggregate outstanding principal amount of Revolving Credit  
Advances in lawful currency of the Federal Republic of  
Germany assigned: DM

Aggregate outstanding principal amount of Revolving Credit  
Advances in lawful currency of Japan assigned:

Aggregate outstanding principal amount of Revolving Credit  
Advances in lawful currency of the European Economic and  
Monetary Union assigned:

(b) Retained Advances  
-----

Aggregate outstanding principal amount of Revolving Credit  
Advances in Dollars retained: \$

Aggregate outstanding principal amount of Revolving Credit  
Advances in lawful money of the Republic of France retained: Fr

Aggregate outstanding principal amount of Revolving  
Credit Advances in lawful currency of the United Kingdom of  
Great Britain and Northern Ireland retained: (pound)

Aggregate outstanding principal amount of Revolving Credit  
Advances in lawful currency of the Federal Republic of  
Germany retained: DM

Aggregate outstanding principal amount of Revolving Credit  
Advances in lawful currency of Japan retained:

Aggregate outstanding principal amount of Revolving Credit  
Advances in lawful currency of the European Economic and  
Monetary Union retained:

Effective Date(1): \_\_\_\_\_

[NAME OF ASSIGNOR], as Assignor

By  
Title:

Dated: \_\_\_\_\_

[NAME OF ASSIGNEE], as Assignee

By  
Title:

Dated: \_\_\_\_\_

Domestic Lending Office:  
[Address]

Eurocurrency Lending Office:  
[Address]

Consented to this \_\_\_\_\_ day  
of \_\_\_\_\_

[NAME OF BORROWER]

By

Name:

Title:

- -----

- 1 This date should be no earlier than five Business Days after the delivery of this Assignment and Acceptance to the Agent.

Dated: \_\_\_\_\_

AlliedSignal Inc.  
P.O. Box 1219R  
101 Columbia Road  
Morristown, New Jersey 07960

Attention: Treasurer

Citibank, N.A.,  
as Agent  
Two Penns Way  
New Castle, Delaware 19720

Attention: Bank Loan Syndication

Ladies and Gentlemen:

Reference is made to the 364-Day Backstop Credit Agreement dated as of October 9, 1998 among AlliedSignal Inc. (the "Company"), the Lenders parties thereto, and Citibank, N.A. as Agent (the "Credit Agreement"; terms defined therein being used herein as therein defined), for such Lenders.

The undersigned ("Assuming Lender") proposes to become an Assuming Lender pursuant to Section 2.16 of the Credit Agreement and, in that connection, hereby agrees that it shall become a Lender for purposes of the Credit Agreement on [applicable Extension Date], assuming on such date the Commitment (without giving effect to assignments thereof which have not yet become effective and without regard to any Competitive Bid Commitment Reduction) as in effect on [applicable Extension Date] of [name of applicable Non-Consenting Lender] (the "Assignor") in the amount of \$\_\_\_\_\_ and the Advances (without giving effect to assignments thereof which have not yet become effective) owing to the Assignor on [applicable Extension Date] in the amount of [indicate amounts and currencies of various assigned Advances].

The Assignor (i) represents and warrants that as of the date hereof its Commitment (without giving effect to assignments thereof which have not yet become effective and without regard to any Competitive Bid Commitment Reduction) is \$\_\_\_\_\_ and the outstanding principal amount of Advances owing to it (without giving effect to assignments thereof which have not yet become effective) (A) in Dollars is \$\_\_\_\_\_, (B) in lawful currency of Japan is \_\_\_\_\_, (C) in lawful currency of the Federal Republic of Germany is DM\_\_\_\_\_, (D) in lawful currency of the Republic of France is Fr\_\_\_\_\_, (E) in lawful currency of the United Kingdom of Great Britain and Northern Ireland is (pound)\_\_\_\_\_, and (F) indicate amounts of Advances in other Foreign Currencies, if any]; (ii) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (iii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or any other instrument or document furnished pursuant thereto or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any other instrument or document furnished pursuant thereto; and (iv) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Company or any other Borrower or the performance or observance by the Company or any other Borrower of any of its obligations under the Credit Agreement or any other instrument or document furnished pursuant thereto.

The Assuming Lender (i) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements referred to in Section 4.01(e) thereof, the most recent financial statements referred to in Section 5.01(h) thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assumption Agreement; (ii) agrees that it will, independently and without reliance upon the Agent, the Assignor or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement as are delegated to the Agent by the terms thereof, together with such powers as are reasonably incidental thereto; (iv) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender; (v) specifies as its Lending Office (and address for notices) the offices set forth beneath its name on the signature pages hereof; and (vi) attaches the forms prescribed by the Internal Revenue Service of the United States required under Section 2.13 of Credit Agreement.

The Assuming Lender requests that the Company deliver to the Agent (to be promptly delivered to the Assuming Lender) Revolving Credit Notes payable to the order of the Assuming Lender, dated as of the Extension Date and substantially in the form of Exhibit A-1 to the Credit Agreement.

The effective date for this Assumption Agreement shall be [applicable Extension Date]. Upon delivery of this Assumption Agreement to the Company and the Agent, and satisfaction of all conditions imposed under Section 2.16 as of [date specified above], the undersigned shall be a party to the Credit Agreement and have the rights and obligations of a Lender thereunder and the Assignor shall relinquish its rights and be released from its obligations under the Credit Agreement. As of [date specified above], the Agent shall make all payments under the Credit Agreement in respect of the interest assigned hereby (including, without limitation, all payments of principal, interest and commitment fees) to the Assuming Lender.

This Assumption Agreement may be executed in counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart by telecopier shall be effective as delivery of a manually executed counterpart of this Assumption Agreement.

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

Very truly yours,

[NAME OF ASSUMING LENDER]

By \_\_\_\_\_

Name:

Title:

Domestic Lending Office  
(and address for notices):

[Address]

Eurodollar Lending Office

[NAME OF ASSIGNOR]2

By \_\_\_\_\_

Name:

Title:

[Address]

Above Acknowledged and Agreed to:

ALLIEDSIGNAL INC.

By \_\_\_\_\_

Name:

Title:

- - - - -

2 Use only in connection with Section 2.16.



[DATE]

To each of the Lenders  
parties to the  
Credit Agreement (as defined  
below) and to Citibank, N.A.,  
as Agent for such Lenders

Ladies and Gentlemen:

Reference is made to the 364-Day Backstop Credit Agreement dated as of October 9, 1998 among AlliedSignal Inc. (the "Company"), the Lenders named therein, and Citibank, N.A., as Agent for said Lenders (the "Credit Agreement"). For convenience of reference, terms used herein and defined in the Credit Agreement shall have the respective meanings ascribed to such terms in the Credit Agreement.

Please be advised that the Company hereby designates its undersigned Subsidiary, \_\_\_\_\_ ("Designated Subsidiary"), as a "Designated Subsidiary" under and for all purposes of the Credit Agreement.

The Designated Subsidiary, in consideration of each Lender's agreement to extend credit to it under and on the terms and conditions set forth in the Credit Agreement, does hereby assume each of the obligations imposed upon a "Designated Subsidiary" and a "Borrower" under the Credit Agreement and agrees to be bound by the terms and conditions of the Credit Agreement. In furtherance of the foregoing, the Designated Subsidiary hereby represents and warrants to each Lenders as follows:

1. The Designated Subsidiary is a corporation duly incorporated, validly existing and in good standing under the laws of \_\_\_\_\_ and is duly qualified to transact business in all jurisdictions in which such qualification is required.

2. The execution, delivery and performance by the Designated Subsidiary of this Designation Letter, the Credit Agreement, its Notes and the consummation of the transactions contemplated thereby, are within the Designated Subsidiary's corporate powers, have been duly authorized by all necessary corporate action, and do not and will not cause or constitute a violation of any provision of law or regulation or any provision of the charter or by-laws of the Designated Subsidiary or result in the breach of, or constitute a default or require any consent under, or result in the creation of any lien, charge or encumbrance upon any of the properties, revenues, or assets of the Designated Subsidiary pursuant to, any indenture or other agreement or instrument to which the Designated Subsidiary is a party or by which the Designated Subsidiary or its property may be bound or affected.

3. This Designation Agreement and each of the Notes of the Designated Subsidiary, when delivered, will have been duly executed and delivered, and this Designation Letter, the Credit Agreement and each of the Notes of the Designated Subsidiary, when delivered, will constitute a legal, valid and binding obligation of the Designated Subsidiary enforceable against the Designated Subsidiary in accordance with their respective terms except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally.

4. There is no action, suit, investigation, litigation or proceeding including, without limitation, any Environmental Action, pending or to the knowledge of the Designated Subsidiary Threatened affecting the Designated Subsidiary before any court, governmental agency or arbitration that (i) is reasonably likely to have a Material Adverse Effect, or (ii) purports to effect the legality, validity or enforceability of this Designation Letter, the Credit Agreement, any Note of the Designated Subsidiary or the consummation of the transactions contemplated thereby.

5. No authorizations, consents, approvals, licenses, filings or registrations by or with any governmental authority or administrative body are required in connection with the execution, delivery or performance by the Designated Subsidiary of this Designation Letter, the Credit Agreement or the Notes of the Designated Subsidiary except for such authorizations, consents, approvals, licenses, filings or registrations as have heretofore been made, obtained or effected and are in full force and effect.

6. The Designated Subsidiary is not, and immediately after the application by the Designated Subsidiary of the proceeds of each Advance will not be, (a) an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or (b) a "holding company" within the meaning of the Public Utility Holding Company Act of 1935, as amended.

Very truly yours,

ALLIEDSIGNAL INC.

By \_\_\_\_\_

Name:

Title:

[THE DESIGNATED SUBSIDIARY]

By \_\_\_\_\_

Name:

Title:

[Letterhead of Process Agent]

[Date]

To each of the Lenders parties  
to the Credit  
Agreement (as defined  
below) and to Citibank, N.A.,  
as Agent for said Lenders

[Name of Designated Subsidiary]  
-----

Ladies and Gentlemen:

Reference is made to (i) that certain 364-Day Backstop Credit Agreement dated as of October 9, 1998 among AlliedSignal Inc., the Lenders named therein, and Citibank, N.A., as Agent (such Credit Agreement as it may hereafter be amended, supplemented or otherwise modified from time to time, being the "Credit Agreement"; the terms defined therein being used herein as therein defined), and (ii) to the Designation Letter, dated \_\_\_\_\_, pursuant to which \_\_\_\_\_ has become a Borrower.

Pursuant to Section 9.13 of the Credit Agreement to which \_\_\_\_\_ has become subject pursuant to its Designation Letter, \_\_\_\_\_ has appointed the undersigned (with an office on the date hereof at 1633 Broadway, New York, New York 10019, United States) as Process Agent to receive on behalf of \_\_\_\_\_ and its property service of copies of the summons and complaint and any other process which may be served in any action or proceeding in any New York State or Federal court sitting in New York City arising out of or relating to the Credit Agreement.

The undersigned hereby accepts such appointment as Process Agent and agrees with each of you that (i) the undersigned will not terminate or abandon the undersigned agency as such Process Agent without at least six months prior notice to the Agent (and hereby acknowledges that the undersigned has been retained for its services as Process Agent through October 9, 1999), (ii) the undersigned will maintain an office in New York City through such date and will give the Agent prompt notice of any change of address of the undersigned, (iii) the undersigned will perform its duties as Process Agent to receive on behalf of \_\_\_\_\_ and its property service of copies of the summons and complaint and any other process which may be served in any action or proceeding in any New York State or Federal court sitting in New York City arising out of or relating to the Credit Agreement and (iv) the undersigned will forward forthwith to \_\_\_\_\_ at its address at \_\_\_\_\_ or, if different, its then current address, copies of any summons, complaint and other process which the undersigned receives in connection with its appointment as Process Agent.

This acceptance and agreement shall be binding upon the undersigned and all successors of the undersigned.

Very truly yours,

[PROCESS AGENT]

By \_\_\_\_\_

EXHIBIT G - FORM OF OPINION  
OF J. EDWARD SMITH,  
SENIOR COUNSEL FOR THE COMPANY

October 9, 1998

To each of the Lenders parties  
to the Credit Agreement  
(as defined below),  
and to Citibank, N.A.,  
as Agent for said Lenders

AlliedSignal Inc.  
-----

Ladies and Gentlemen:

This opinion is furnished to you pursuant to Section 3.01(e) (vi) of the 364-Day Backstop Credit Agreement dated as of October 9, 1998 among AlliedSignal Inc. (the "Company"), the Lenders parties thereto, and Citibank, N.A., as Agent for said Lenders (the "Credit Agreement"). Terms defined in the Credit Agreement are, unless otherwise defined herein, used herein as therein defined.

I have acted as counsel for the Company in connection with the preparation, execution and delivery of the Credit Agreement.

In that connection I have examined:

(1) The Credit Agreement.

(2) The documents furnished by the Company pursuant to Article III of the Credit Agreement, including the Certificate of Incorporation of the Company and all amendments thereto (the "Charter") and the By-laws of the Company and all amendments thereto (the "By-laws").

(3) A certificate of the Secretary of State of the State of Delaware, dated \_\_\_\_\_, 1998, attesting to the continued corporate existence and good standing of the Company in that State.

I have also examined the originals, or copies certified to my satisfaction, of such corporate records of the Company (including resolutions adopted by the Board of Directors of the Company), certificates of public officials and of officers of the Company, and agreements, instruments and documents, as I have deemed necessary as a basis for the opinions hereinafter expressed. As to questions of fact material to such opinions, I have, when relevant facts were not independently established by me, relied upon certificates of the Company or its officers or of public officials. I have assumed the due execution and delivery, pursuant to due authorization, of the Credit Agreement by the Initial Lenders and the Agent.

I am qualified to practice law in the State of New York, and I do not purport to be expert in, or to express any opinion herein concerning, any laws other than the laws of the State of New York, the General Corporation Law of the State of Delaware and the Federal laws of the United States.

Based upon the foregoing and upon such investigation as I have deemed necessary, I am of the following opinion:

1. The Company (a) is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, (b) is duly qualified as a foreign corporation in each other jurisdiction in which it owns or leases property or in which the conduct of its business requires it to so qualify or be licensed and (c) has all requisite corporate power and authority to own or lease and operate its properties and to carry on its business as now conducted and as proposed to be conducted.

2. The execution, delivery and performance by the Company of the Credit Agreement and the Notes of the Company, and the consummation of the transactions contemplated thereby, are within the Company's corporate powers, have been duly authorized by all necessary corporate action, and do not (i) contravene the Charter or the By-laws or (ii) violate any law (including, without limitation, the Securities Exchange Act of 1934 and the Racketeer Influenced and Corrupt Organizations Chapter of the Organized Crime Control Act of 1970), rule, regulation (including, without limitation, Regulation X of the Board of Governors of the Federal Reserve System) or any material order, writ, judgment, decree, determination or award or (iii)

conflict with or result in the breach of, or constitute a default under, any material indenture, loan or credit agreement, lease, mortgage, security agreement, bond, note or any similar document. The Credit Agreement and the Notes of the Company have been duly executed and delivered on behalf of the Company.

3. No authorization, approval, or other action by, and no notice to or filing with, any governmental authority, administrative agency or regulatory body, or any third party is required for the due execution, delivery and performance by the Company of the Credit Agreement or the Notes of the Company, or for the consummation of the transactions contemplated thereby.

4. The Credit Agreement is, and each Note of the Company when delivered under the Credit Agreement will be, the legal, valid and binding obligation of the Company enforceable against the Company in accordance with their respective terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization or moratorium or other similar laws relating to the enforcement of creditors' rights generally or by the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), and except that I express no opinion as to (i) the subject matter jurisdiction of the District Courts of the United States of America to adjudicate any controversy relating to the Credit Agreement or the Notes of the Company or (ii) the effect of the law of any jurisdiction (other than the State of New York) wherein any Lender or Applicable Lending Office may be located or wherein enforcement of the Credit Agreement or the Notes of the Company may be sought which limits rates of interest which may be charged or collected by such Lender.

5. There is no action, suit, investigation, litigation or proceeding against the Company or any of its Subsidiaries before any court, governmental agency or arbitrator now pending or, to the best of my knowledge, Threatened that is reasonably likely to have a Material Adverse Effect (other than the Disclosed Litigation) or that purports to affect the legality, validity or enforceability of the Credit Agreement or any Note of the Company or the consummation of the transactions contemplated thereby, and there has been no adverse change in the status, or financial effect on the Company or any of its Subsidiaries, of the Disclosed Litigation from that described on Schedule 3.01(b) of the Credit Agreement.

6. The Company is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

7. The Company is not a "holding company" within the meaning of the Public Utility Holding Company Act of 1935, as amended.

In connection with the opinions expressed by me above in paragraph 4, I wish to point out that (i) provisions of the Credit Agreement that permit the Agent or any Lender to take action or make determinations may be subject to a requirement that such action be taken or such determinations be made on a reasonable basis and in good faith, (ii) that a party to whom an advance is owed may, under certain circumstances, be called upon to prove the outstanding amount of the Advances evidenced thereby and (iii) the rights of the Agent and the Lenders provided for in Section 9.04(b) of the Credit Agreement may be limited in certain circumstances.

Very truly yours,

EXHIBIT H - FORM OF OPINION OF COUNSEL  
TO A DESIGNATED SUBSIDIARY

\_\_\_\_\_, 19\_\_

To each of the Lenders parties  
to the Credit Agreement  
(as defined below),  
and to Citibank, N.A., as Agent  
for said Lenders

Ladies and Gentlemen:

In my capacity as counsel to \_\_\_\_\_ ("Designated  
Subsidiary"), I have reviewed that certain 364-Day Backstop Credit  
Agreement dated as of October 9, 1998 among AlliedSignal Inc., the Lenders  
named therein, and Citibank, N.A., as Agent for such Lenders (the "Credit  
Agreement"). In connection therewith, I have also examined the following  
documents:

(i) The Designation Letter (as defined in the Credit Agreement)  
executed by the Designated Subsidiary.

[such other documents as counsel may wish to refer to]

I have also reviewed such matters of law and examined the  
original, certified, conformed or photographic copies of such other  
documents, records, agreements and certificates as I have considered  
relevant hereto.

Except as expressly specified herein all terms used herein and  
defined in the Credit Agreement shall have the respective meanings ascribed  
to them in the Credit Agreement.

Based upon the foregoing, I am of the opinion that:

1. The Designated Subsidiary (a) is a corporation duly  
incorporated, validly existing and in good standing under the laws of  
\_\_\_\_\_, (b) is duly qualified in each other  
jurisdiction in which it owns or leases property or in which the  
conduct of its business requires it to so qualify or be licensed and  
(c) has all requisite corporate power and authority to own or lease  
and operate its properties and to carry on its business as now  
conducted and as proposed to be conducted.

2. The execution, delivery and performance by the Designated  
Subsidiary of its Designation Letter, the Credit Agreement and its  
Notes, and the consummation of the transactions contemplated thereby,  
are within the Designated Subsidiary's corporate powers, have been  
duly authorized by all necessary corporate action, and do not and will  
not cause or constitute a violation of any provision of law or  
regulation or any material order, writ, judgment, decree,  
determination or award or any provision of the charter or by-laws or  
other constituent documents of the Designated Subsidiary or result in  
the breach of, or constitute a default or require any consent under,  
or result in the creation of any lien, charge or encumbrance upon any  
of the properties, revenues, or assets of the Designated Subsidiary  
pursuant to, any material indenture or other agreement or instrument  
to which the Designated Subsidiary is a party or by which the  
Designated Subsidiary or its property may be bound or affected. The  
Designation Letter and each Note of the Designated Subsidiary has been  
duly executed and delivered on behalf of the Designated Subsidiary.

3. The Credit Agreement and the Designation Letter of the  
Designated Subsidiary are, and each Note of the Designated Subsidiary  
when delivered under the Credit Agreement will be, the legal, valid  
and binding obligation of the Designated Subsidiary enforceable in  
accordance with their respective terms, except as the enforceability  
thereof may be limited by bankruptcy, insolvency, reorganization or  
moratorium or other similar laws relating to the enforcement of  
creditors' rights generally or by the application of general  
principles of equity (regardless of whether such enforceability is  
considered in a proceeding in equity or at law), and except that I  
express no opinion as to (i) the subject matter jurisdiction of the  
District Courts of the United States of America to adjudicate any  
controversy relating to the Credit Agreement, the Designation Letter  
of the Designated Subsidiary or the Notes of the Designated Subsidiary  
or (ii) the effect of the law of any jurisdiction (other than the  
State of New York) wherein any Lender or Applicable Lending Office may  
be located or wherein enforcement of the Credit Agreement, the  
Designation Letter of the Designated Subsidiary or the Notes of the  
Designated Subsidiary may be sought which limits rates of interest  
which may be charged or collected by such Lender.

4. There is no action, suit, investigation, litigation or proceeding at law or in equity before any court, governmental agency or arbitration now pending or, to the best of my knowledge and belief, Threatened against the Designated Subsidiary that is reasonably likely to have a Material Adverse Effect or that purports to affect the legality, validity or enforceability of the Designation Letter of the Designated Subsidiary, the Credit Agreement or any Note of the Designated Subsidiary or the consummation of the transactions contemplated thereby.

5. No authorizations, consents, approvals, licenses, filings or registrations by or with any governmental authority or administrative body are required for the due execution, delivery and performance by the Designated Subsidiary of its Designation Letter, the Credit Agreement or the Notes of the Designated Subsidiary except for such authorizations, consents, approvals, licenses, filings or registrations as have heretofore been made, obtained or affected and are in full force and effect.

6. The Designated Subsidiary is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

7. The Designated Subsidiary is not a "holding company" within the meaning of the Public Utility Holding Company Act of 1935, as amended.

In connection with the opinions expressed by me above in paragraph 3, I wish to point out that (i) provisions of the Credit Agreement which permit the Agent or any Lender to take action or make determinations may be subject to a requirement that such action be taken or such determinations be made on a reasonable basis and in good faith, (ii) a party to whom an advance is owed may, under certain circumstances, be called upon to prove the outstanding amount of the Advances evidenced thereby and (iii) the rights of the Agent and the Lenders provided for in Section 9.04(b) of the Credit Agreement may be limited in certain circumstances.

Very truly yours,

EXHIBIT I - FORM OF OPINION  
OF SHEARMAN & STERLING,  
COUNSEL TO THE AGENT

[S&S LETTERHEAD]

October 9, 1998

To the Initial Lenders party to the  
Credit Agreement referred  
to below and to Citibank, N.A.,  
as Agent

Ladies and Gentlemen:

We have acted as special New York counsel to Citibank, N.A., as Agent, in connection with the preparation, execution and delivery of the 364-Day Backstop Credit Agreement dated as of October 9, 1998 (the "Credit Agreement"), among AlliedSignal Inc., a Delaware corporation (the "Company"), and each of you (each a "Lender"). Unless otherwise defined herein, terms defined in the Credit Agreement are used herein as therein defined.

In that connection, we have examined a counterpart of the Credit Agreement executed by the Company, the Revolving Credit Notes executed by the Company and delivered on the date hereof (for purposes of this opinion letter, the "Notes") and, to the extent relevant to our opinion expressed below, the other documents delivered by the Company pursuant to Section 3.01 of the Credit Agreement.

In our examination of the Credit Agreement, the Notes and such other documents, we have assumed, without independent investigation (a) the due execution and delivery of the Credit Agreement by all parties thereto and of the Notes by the Company, (b) the genuineness of all signatures, (c) the authenticity of the originals of the documents submitted to us and (d) the conformity to originals of any documents submitted to us as copies.

In addition, we have assumed, without independent investigation, that (i) the Company is duly organized and validly existing under the laws of the jurisdiction of its organization and has full power and authority (corporate and otherwise) to execute, deliver and perform the Credit Agreement and the Notes and (ii) the execution, delivery and performance by the Company of the Credit Agreement and the Notes have been duly authorized by all necessary action (corporate or otherwise) and do not (A) contravene the certificate of incorporation, bylaws or other constituent documents of the Company, (B) conflict with or result in the breach of any document or instrument binding on the Company or (C) violate or require any governmental or regulatory authorization or other action under any law, rule or regulation applicable to the Company other than New York law or United States federal law applicable to borrowers generally or, assuming the correctness of the Company's statements made as representations and warranties in Section 4.01(c) of the Credit Agreement, applicable to the Company. We have also assumed that the Credit Agreement is the legal, valid and binding obligation of each Lender, enforceable against such Lender in accordance with its terms.

Based upon the foregoing examination and assumptions and upon such other investigation as we have deemed necessary and subject to the qualifications set forth below, we are of the opinion that the Credit Agreement and each of the Notes are the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms.

Our opinion above is subject to the following qualifications:

(i) Our opinion above is subject to the effect of any applicable bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar law affecting creditors' rights generally.

(ii) Our opinion above is also subject to the effect of general principles of equity, including (without limitation) concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law).

(iii) We express no opinion as to the enforceability of the indemnification provisions set forth in Section 9.04 of the Credit Agreement to the extent enforcement thereof is contrary to public policy regarding the exculpation of criminal violations, intentional harm and acts of gross negligence or recklessness.

(iv) Our opinion above is limited to the law of the State of New



York and the federal law of the United States of America and we do not express any opinion herein concerning any other law. Without limiting the generality of the foregoing, we express no opinion as to the effect of the law of a jurisdiction other than the State of New York wherein any Lender may be located or wherein enforcement of the Credit Agreement or any of the Notes may be sought that limits the rates of interest legally chargeable or collectible.

A copy of this opinion letter may be delivered by any of you to any Person that becomes a Lender in accordance with the provisions of the Credit Agreement. Any such Lender may rely on the opinion expressed above as if this opinion letter were addressed and delivered to such Lender on the date hereof.

This opinion letter speaks only as of the date hereof. We expressly disclaim any responsibility to advise you or any other Lender who is permitted to rely on the opinion expressed herein as specified in the next preceding paragraph of any development or circumstance of any kind including any change of law or fact that may occur after the date of this opinion letter even though such development, circumstance or change may affect the legal analysis, a legal conclusion or any other matter set forth in or relating to this opinion letter. Accordingly, any Lender relying on this opinion letter at any time should seek advice of its counsel as to the proper application of this opinion letter at such time.

Very truly yours,

[EXECUTION COPY]

October 9, 1998

AlliedSignal Inc.  
101 Columbia Road  
Morristown, NJ 07962-1219

Attention: John W. Gamble, Jr., Assistant Treasurer

ALLIEDSIGNAL INC.  
US\$900,000,000 364-DAY REVOLVING CREDIT FACILITY  
US\$7,000,000,000 364-DAY REVOLVING CREDIT FACILITY  
US\$2,250,000,000 FIVE YEAR REVOLVING CREDIT FACILITY  
COMMITMENT LETTER  
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Ladies and Gentlemen:

You have advised us of your proposed acquisition of a controlling interest in AMP Inc., a Pennsylvania corporation (the "TARGET"). As we understand the transaction, you have offered to acquire up to 20,000,000 shares of the Target's outstanding common stock, without par value (the "TARGET STOCK"), on or after October 2, 1998 for \$44.50 net per common share for up to an aggregate of \$890,000,000 in cash. This acquisition of the Target's common shares will initially be funded through the issuance of your commercial paper. Thereafter, you will promptly offer to purchase through a tender offer (the "TENDER OFFER"), subject to removal of the Target's poison pill, the inapplicability of anti-takeover statutes and other customary conditions, all shares of Target Stock. The Tender Offer, the acquisition of the Target and the certain financings contemplated by the foregoing are collectively referred to as the "TRANSACTION".

You have requested that Salomon Smith Barney Inc., ("SSB"), Banque Nationale de Paris ("BNP"), Barclays Capital, the investment banking division of Barclays Bank PLC ("BARCLAYS CAPITAL"), Deutsche Bank Securities Inc. ("DBSI"), J.P. Morgan Securities Inc. ("MORGAN") and NationsBanc Montgomery Securities LLC ("NMS") arrange \$9,250,000,000 of Senior Facilities (as hereinafter defined) described in this letter and in the attached summaries of terms and conditions (the "ANNEXES" and, together with this letter, the "COMMITMENT LETTER"). Based on our discussions concerning the Transaction, (a) SSB is pleased to agree to act as book runner in connection with the Senior Facilities, (b) Citibank, N.A. ("CITIBANK") is pleased to provide you with financing commitments for a portion of, and to agree to act as administrative agent (the "ADMINISTRATIVE AGENT") in connection with, the Senior Facilities, (c) each of the other Initial Lenders (as hereinafter defined) is pleased to provide you with financing commitments for a portion of the Senior Facilities and (d) each of SSB, BNP, Barclays, DBSI, Morgan and NMS, as arrangers, is pleased to provide you with its undertaking to arrange and syndicate the Senior Facilities to the Lenders (as defined under the section "LENDERS" in the Annexes). SSB, BNP, Barclays Capital, DBSI, Morgan and NMS are, collectively, the "ARRANGERS".

You have asked each of Citibank, Bank of America NT&SA ("BOFA"), BNP, Barclays Bank PLC ("BARCLAYS"), Deutsche Bank AG, New York Branch and/or Cayman Islands Branch ("DEUTSCHE BANK") and Morgan Guaranty Trust Company of New York ("MORGAN GUARANTY") (collectively, the "INITIAL LENDERS") to provide you with their several commitments for a portion of the senior debt facilities aggregating \$9,250,000,000 (the "SENIOR FACILITIES") required to consummate the Transaction, consisting of (a) a 364-day multicurrency commercial paper backstop facility (the "BACKSTOP FACILITY") in the amount of \$900,000,000, (b) a 364-day multicurrency revolving credit facility (the "364-DAY FACILITY") in the amount of \$7,000,000,000 (which will replace the Backstop Facility) and (c) a five year multicurrency revolving credit facility (the "FIVE-YEAR FACILITY") in the amount of \$2,250,000,000. Each of the Backstop Facility, 364-Day Facility and the Five-Year Facility will also provide a competitive bid option to you. The proceeds of the Senior Facilities are intended to be used primarily in connection with the Transaction, and after the acquisition of the Target is completed in connection with general corporate purposes.

Subject to the satisfaction of the conditions contained in this Commitment Letter and your acceptance hereof, Citibank commits to lend \$200,000,000 of the Backstop Facility and \$1,000,000,000 of the 364-Day and Five-Year Facilities, and BofA, BNP, Barclays, Deutsche Bank and Morgan Guaranty each commits to lend \$140,000,000 of the Backstop Facility and \$750,000,000 of the 364-Day and Five Year Facilities, on the terms and conditions referred to in this Commitment Letter. The Arrangers agree to use their best efforts, but without any obligation to underwrite a syndication, to arrange a syndicate of lenders for the balance of the

financing for the Transaction (it being understood that none of the Arrangers or the Initial Lenders, individually or in the aggregate, have agreed to underwrite the Senior Facilities). The commitment of each Initial Lender will be allocated pro rata to the 364-Day and Five Year Facilities.

Please note, however, that the terms and conditions of this commitment and undertaking are not limited to those set forth in this Commitment Letter. Those matters that are not covered or made clear herein or in the attached Annexes are subject to mutual agreement of the parties. The terms and conditions of this commitment and undertaking may be modified only in writing. In addition, this commitment and undertaking is subject to (a) the preparation, execution and delivery of mutually acceptable loan documentation, including credit agreements incorporating substantially the terms and conditions outlined herein and in the Annexes, (b) the absence of (i) a material adverse change in the business, condition (financial or otherwise), operations, performance, properties or prospects of you and your subsidiaries, taken as a whole, since December 31, 1997 and (ii) any material adverse change in loan syndication or financial or capital market conditions generally from those currently in effect, (c) the accuracy and completeness of all representations that you make to us and all information that you furnish to us in connection with this commitment and undertaking and your compliance with the terms of this Commitment Letter, (d) with respect to the commitment and undertaking for the 364-Day and Five Year Facilities, syndication of such Facilities shall have commenced by November 15, 1998 (meaning that the Information Memorandum (as defined below) shall have been prepared and the bank information meeting shall have been scheduled to take place no later than one week after such date), (e) receipt of commitments from other Lenders on the terms and conditions referred to in the attached Annexes for the balance of the financing of the Transaction and (f) the acquisition of the Target Stock on a basis or pursuant to terms not materially different from those previously agreed to by the Arrangers (it being understood that an increase of the price per share of Target Stock of 10% or less shall be deemed not to be material). Each Initial Lender's commitment and each Arranger's undertaking with respect to the 364-Day Facility and the Five-Year Facility set forth in this Commitment Letter will terminate on January 25, 1999, unless the loan documentation relating thereto is executed on or before such date.

The Initial Lenders' commitments and the Arrangers' undertaking with respect to the (a) 364-Day Facility and the Five-Year Facility or (b) the Backstop Facility set forth in this Commitment Letter may also be terminated upon written notice by you at any time at your option upon payment of all Agreed Fees (as hereinafter defined) then payable and all fees, expenses and other amounts then payable under this Commitment Letter.

The Arrangers intend to syndicate the 364-Day Facility and the Five-Year Facility promptly and, if the commitments for the 364-Day Facility and the Five-Year Facility have been terminated, the Backstop Facility, to additional Lenders and, to the extent that commitments are received from other Lenders, the initial commitments of each Initial Lender shall be reduced. The Arrangers will manage all aspects of the syndication in consultation with you, including the timing of all offers to potential Lenders and the acceptance of commitments, the amounts offered and the compensation provided. By acceptance of this Commitment Letter, you agree to take all actions that the Arrangers may reasonably request to assist them in forming a syndicate acceptable to the Arrangers. Your assistance in forming such a syndicate shall include but not be limited to: (a) making your senior management and representatives available to participate in information meetings with potential Lenders at such times and places as the Arrangers may reasonably request; (b) using your best efforts to ensure that the syndication efforts of the Arrangers benefit from your lending relationships; (c) providing the Arrangers with all information reasonably deemed necessary by them to complete a successful syndication and (d) assisting in the preparation of an information memorandum for use in connection with the syndication of the Senior Facilities (the "INFORMATION MEMORANDUM"), the contents of which you shall be solely responsible for. You agree to advise the Arrangers immediately of the occurrence of any event or other development that results in the Information Memorandum failing to comply with the representation and warranties set forth in the first paragraph on page five of this Commitment Letter.

To ensure an orderly and effective syndication of the Senior Facilities, you agree that until the termination of the syndication (as determined by the Arrangers and evidenced by written notification received by you from SSB), you will not, and will not permit any of your affiliates to, syndicate or issue, attempt to syndicate or issue, announce or authorize the announcement of the syndication or issuance of, or engage in discussions concerning the syndication or issuance of, any debt facility or debt security (including any renewals thereof), without the prior written consent of the Arrangers; provided, however, that the foregoing shall not limit your ability to amend your \$750,000,000 existing credit agreement, or to issue commercial paper, extendable notes or similar financial products, other short-term debt instruments not syndicated in the bank loan market, public debt securities or securitizations.

You agree that Citibank will act as the sole administrative agent for the Senior Facilities and that the Arrangers will act as sole arrangers for the Senior Facilities and that no additional agents, co-agents or

arrangers will be appointed, or other titles conferred, without the prior consent of each of the Arrangers. You agree that no Lender will receive any compensation of any kind for its participation in the Senior Facilities, except as expressly provided for in the Fee Letters (as hereinafter defined) or in the Annexes.

In addition to the fees described in the Annexes, you hereby confirm your agreement to pay the nonrefundable fees set forth in the fee letters dated the date hereof (the "FEE LETTERS") with the Initial Lenders and the Arrangers (the "AGREED FEES").

You agree to indemnify and hold harmless each Initial Lender, each Arranger, each Lender and each of their affiliates and their officers, directors, employees, agents, advisors and other representatives (each an "INDEMNIFIED PARTY") from and against any and all claims, damages, losses, liabilities and expenses (including, without limitation, reasonable fees and expenses of counsel) that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or by reason of (including, without limitation, in connection with any investigation, litigation or proceeding or preparation of a defense in connection therewith) (a) the Transaction or any similar transaction and any of the other transactions contemplated thereby, (b) any acquisition or proposed acquisition or similar business combination or proposed business combination (including, without limitation, the transactions contemplated hereby) by you or any of your subsidiaries or affiliates of all or any portion of the capital stock or substantially all of the assets of the Target or any of its subsidiaries or (c) the Senior Facilities and any other financings, or any use made or proposed to be made with the proceeds thereof, except to the extent such claim, damage, loss, liability or expense is found in a final, nonappealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct. In the case of an investigation, litigation or proceeding to which the indemnity in this paragraph applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by you, your shareholders or creditors or an Indemnified Party or an Indemnified Party is otherwise a party thereto and whether or not the Transaction is consummated. You also agree that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to you or your subsidiaries or affiliates or to your or their respective security holders or creditors arising out of, related to or in connection with the Transaction, except for direct, as opposed to consequential, damages determined in a final nonappealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct.

In further consideration of the commitment of each Initial Lender and the undertakings of each Arranger, respectively, hereunder, and recognizing that in connection herewith each of them is incurring substantial costs and expenses, including, without limitation, fees and expenses of counsel and due diligence, syndication (including printing, distribution and bank meetings), transportation, computer, duplication, appraisal, audit, insurance, consultant, search, filing and recording fees, you agree to pay, from time to time on request, such costs and expenses directly related to the Senior Facilities (whether incurred before or after the date hereof), regardless of whether the Transaction (or any part thereof) is consummated or any loan documentation is entered into. You also agree to pay all costs and expenses of each Initial Lender and each Arranger (including, without limitation, fees and expenses of counsel) incurred in connection with the enforcement of this Commitment Letter.

You should be aware that any Initial Lender, any Arranger or one or more of their affiliates may be providing financing or other services to parties whose interests may conflict with yours. However, be assured that, consistent with each Initial Lender's and each Arranger's longstanding policies to hold in confidence the affairs of their customers, none of the Initial Lenders, the Arrangers or any of their affiliates will furnish confidential information obtained from you to any of their other customers. By the same token, the Initial Lenders, the Arrangers and their affiliates will not make available to you confidential information that they have obtained or may obtain from any other customer.

You agree that this Commitment Letter is for your confidential use only and neither its existence nor the terms hereof will be disclosed by you to any person or entity other than your officers, directors, accountants, attorneys and other advisors, and then only on a "need to know" basis in connection with the Transaction and on a confidential basis, except that, following your return of an executed counterpart hereof to each Arranger, you may (a) make public disclosure of the existence and amount of the Initial Lenders' commitments and the Arrangers' undertakings hereunder, (b) file a copy of this Commitment Letter in any public record in which it is required by law to be filed, (c) provide a copy of this Commitment Letter on a confidential basis to the Target and its accountants, attorneys and other advisors and (d) make such other public disclosures of the terms and conditions hereof as you are required by law, in the opinion of your counsel, to make. You agree that you will permit each Arranger and each Initial Lender to review and approve any reference to it or to any of its affiliates or any other agent or arranger under the

Senior Facilities contained in any press release or similar public disclosure prior to public release. Each Initial Lender and Arranger agrees that you will be permitted to review and approve any reference to you and your affiliates relating to the Senior Facilities contained in any press release, advertisement or similar public disclosure prior to public release.

You represent and warrant that (a) all information that has been or will hereafter be made available by or on behalf of you or by any of your representatives in connection with the Transaction and the other transactions contemplated hereby to any Initial Lender, any Arranger or any of their affiliates or representatives or to any Lender or any potential Lender is and will be complete and correct in all material respects and does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not misleading in light of the circumstances under which such statements were or are made and (b) all financial projections, if any, that have been or will be prepared by you or on your behalf or by any of your representatives and made available to any Initial Lender, any Arranger or any of their affiliates or representatives or to any Lender or any potential Lender in connection with the Transaction and the other transactions contemplated hereby have been or will be prepared in good faith based upon reasonable assumptions (it being understood that such projections are subject to significant uncertainties and contingencies, many of which are beyond your control, and that no assurance can be given that any particular projections will be realized). You agree to supplement the information and projections from time to time so that the representations and warranties contained in this paragraph remain complete and correct.

In issuing this commitment and undertaking, each Initial Lender and each Arranger is relying on the accuracy of the information furnished to it by you or on your behalf. The obligations of each Initial Lender and each Arranger under this Commitment Letter and of any Lender that issues a commitment for the Senior Facilities are made solely for your benefit and may not be relied upon or enforced by any other person or entity.

This Commitment Letter shall be governed by, and construed in accordance with, the laws of the State of New York. Delivery of an executed counterpart of this Commitment Letter by telecopier shall be effective as delivery of a manually executed counterpart of this Commitment Letter. Each of you, each Initial Lender and each Arranger hereby irrevocably waives all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Commitment Letter, the transactions contemplated hereby or the actions of any Initial Lender or any Arranger in the negotiation, performance or enforcement hereof.

Please evidence your acceptance of the provisions of this Commitment Letter (including, without limitation, the attached Annexes) and the other matters referred to above by signing the enclosed copy of this Commitment Letter and returning it to Steven Victorin, Citibank, N.A., 399 Park Avenue, New York, New York 10043 at or before 5:00 P.M. (New York City time) on October 7, 1998, the time at which each Initial Lender's commitment and each Arranger's undertaking set forth above (if not so accepted prior thereto) will expire.

Very truly yours,

CITIBANK, N.A.

By /s/ Carolyn A. Kee

-----  
Name: Carolyn A. Kee  
Title: Attorney-in-Fact

SALOMON SMITH BARNEY INC.

By /s/ Steven R. Victorin

-----  
Name: Steven R. Victorin  
Title: Attorney-in-Fact

BANK OF AMERICA NT&SA

By /s/ W.L. Hess

-----  
Name: W.L. Hess  
Title: Managing Director

NATIONSBANC MONTGOMERY SECURITIES LLC

By /s/ John A. Finan  
-----  
Name: John A. Finan  
Title: Managing Director

BANQUE NATIONALE DE PARIS

By /s/ Robert S. Taylor, Jr.  
-----  
Name: Robert S. Taylor, Jr.  
Title: Senior Vice President

By /s/ Richard L. Sted  
-----  
Name: Richard L. Sted  
Title: Senior Vice President

BARCLAYS BANK PLC

By /s/ Keith Mackie  
-----  
Name: Keith Mackie  
Title: Director

DEUTSCHE BANK AG, NEW YORK BRANCH AND/OR  
CAYMAN ISLANDS BRANCH

By /s/ Jean M. Hannigan  
-----  
Name: Jean M. Hannigan  
Title: Vice President

By /s/ Susan L. Pearson  
-----  
Name: Susan L. Pearson  
Title: Director

DEUTSCHE BANK SECURITIES INC.

By /s/ Jean M. Hannigan  
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Name: Jean M. Hannigan  
Title: Vice President

By /s/ Thomas A. Foley  
-----  
Name: Thomas A. Foley  
Title: Vice President

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

By /s/ Christopher C. Kunhardt  
-----  
Name: Christopher C. Kunhardt  
Title: Vice President

J.P. MORGAN SECURITIES INC.

By /s/ Charles H. King  
-----  
Name: Charles H. King  
Title: Vice President

ACCEPTED this 9th day  
of October, 1998

ALLIEDSIGNAL INC.

By /s/ Richard F. Wallman  
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Name: Richard F. Wallman  
Title: Senior Vice President



ALLIEDSIGNAL INC.

SUMMARY OF TERMS AND CONDITIONS  
\$7,000,000,000 364-DAY MULTI CURRENCY REVOLVING CREDIT FACILITY  
WITH ONE YEAR TERM-OUT OPTION

BORROWERS: AlliedSignal Inc. (the "Company") and any Designated Subsidiaries (together with the Company, the "Borrowers"), fully and unconditionally guaranteed by the Company.

FACILITY AMOUNT: \$7,000,000,000.

TYPE OF FACILITY: 364-day unsecured revolving credit facility (the "364-Day Facility"). Provided there is no default or Event of Default, the Company will have the option, on the Commitment Termination Date, to convert up to \$4,000,000,000 of outstanding Advances into a term loan maturing no later than the first anniversary of the Commitment Termination Date (the "Term Loan Conversion Option").

PURPOSE: Finance the acquisition of AMP Inc. (the "Target") and general corporate purposes, including commercial paper backstop.

ADMINISTRATIVE AGENT: Citibank, N.A. ("Citibank", or the "Agent").

BOOKRUNNER: Salomon Smith Barney Inc. ("SSB").

ARRANGERS: Banque Nationale de Paris ("BNP"), Barclays Capital, the investment banking division of Barclays Bank PLC, Deutsche Bank Securities Inc., J.P. Morgan Securities Inc., NationsBanc Montgomery Securities LLC and SSB.

LENDERS: Citibank, Bank of America NT&SA ("BofA"), BNP, Barclays Bank PLC ("Barclays"), Deutsche Bank AG, New York Branch and/or Cayman Islands Branch ("Deutsche"), Morgan Guaranty Trust Company of New York ("Morgan") and other financial institutions acceptable to the Arrangers and the Company.

CLOSING DATE: Such date as may be agreed upon by the Company, the Arrangers and the Agent.

COMMITMENT TERMINATION DATE: 364 Days from the Closing Date, subject to the Renewal of Commitments section.

FINAL MATURITY DATE: The Commitment Termination Date, provided that, if the Company elects the Term Loan Conversion Option, the Final Maturity Date will be the first anniversary of the Commitment Termination Date.

ADVANCES: At the applicable Borrower's option, either Eurocurrency Rate Advances, Base Rate Advances or Competitive Bid Advances. Each Lender will be severally obligated to make its pro rata share of any Eurocurrency Rate Advance or Base Rate Advance. Eurocurrency Rate Advances, at the applicable Borrower's option, may be made in U.S. Dollars, Pounds Sterling, Deutsche Marks, French Francs, Euros/Ecu and Japanese Yen (the "Major Currencies").

RENEWAL OF COMMITMENTS: At least 45 but no earlier than 60 days prior to each anniversary date of the 364-Day Facility and provided all representations and warranties are true and correct in all material respects and no Event of Default has occurred and is continuing, the Company may request that the Lenders extend for an additional 364 days the then applicable Commitment Termination Date. The Company may replace any non-consenting Lender by assignment to any consenting Lender or new Lender, or by termination of a non-consenting Lender's commitment.

COMMITMENT REDUCTION: The Company will have the right, upon at least three business days' notice, to terminate or cancel, in



whole or in part, the unused portion of the 364-Day Facility Amount in excess of the aggregate outstanding Competitive Bid Advances, provided that each partial reduction shall be in a minimum amount of \$10,000,000 or any whole multiple of \$1,000,000 in excess thereof. Once terminated, a commitment may not be reinstated.

FACILITY FEE:

At all times unless the Term Loan Conversion Option has been selected and is in effect, an amount which will vary as per attached Pricing Grid, based on the Company's long-term senior unsecured non-credit enhanced debt ratings, payable on each Lender's commitment, irrespective of usage, quarterly in arrears on the last day of each March, June, September and December, and on the Commitment Termination Date. The Facility Fee shall be calculated on the basis of actual number of days elapsed in a year of 365/366 days. No Facility Fee will be payable after the Term Loan Conversion Option has been selected and is in effect.

INTEREST RATES AND INTEREST PERIODS:

At the applicable Borrower's option, any Advance that is made to it will be available at the rates and for the Interest Periods stated below:

- a) Base Rate: a fluctuating rate equal to the Base Rate plus the Applicable Margin.

The Base Rate is a fluctuating rate per annum equal at all times to the highest of (i) Citibank's publicly announced "base" rate, (ii) 1/2 of 1% percent per annum above the latest three-week moving average of secondary market morning offering rates in the United States for three-month certificates of deposit of major U.S. money market banks, adjusted to the nearest 1/16 of 1%, and (iii) a rate equal to 1/2 of 1% per annum above the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers.

- b) Eurocurrency Rate: a periodic fixed rate equal to the Eurocurrency Rate plus the Applicable Margin.

The Eurocurrency Rate, which is a rate per annum equal to the London Interbank Offered Rate as determined by reference to Dow Jones Markets screen 3750 (or other applicable pages with respect to a Major Currency), or if not applicable the average rate per annum (rounded upward to the nearest 1/16 of 1%) at which deposits in the applicable Major Currency are offered by the Reference Banks to prime banks in the London interbank market at 11:00 A.M. (London time) two business days before the first day of the Interest Period and in amounts approximately equal to the Reference Banks' pro rata share of the contemplated Advance for a given Interest Period and with a maturity equal to such Interest Period, adjusted for reserve requirements and, in the case of particular Major Currencies, as appropriate for such currencies. The Eurocurrency Rate shall be fixed for Interest Periods of 1, 2, 3, 6 or 9 months if available to all Lenders.

APPLICABLE MARGIN:

The Applicable Margin means:

- (i) for Base Rate Advances, 0.00 basis points per annum;
- (ii) for Eurocurrency Rate Advances, (i) at all times unless the Term Loan Conversion Option has been selected and is in effect an amount which will vary as per the attached Pricing Grid, based on the Company's long-term senior unsecured non-credit enhanced debt ratings and, (ii) if the Term Loan Conversion Option has been selected and is in effect, an amount which will vary as per the attached Term-Out Option Pricing Grid.

Upon the occurrence and during the continuance of any monetary Event of Default, the Applicable Margin will increase by 100 basis points per annum, and if such Advance is a Eurocurrency Rate Advance, it will convert to a Base Rate Advance at the end of the Interest Period then in effect for such Eurocurrency Rate Advance.

REFERENCE BANKS: Citibank, BofA, BNP, Barclays, Deutsche and Morgan.

INTEREST PAYMENTS: At the end of each Interest Period for each Advance, but no less frequently than quarterly. Interest will be computed on a 365/366-day basis for Base Rate Advances and a 360-day basis for Eurocurrency Rate Advances.

UTILIZATION FEE: As per the attached Pricing Grid, based on the Company's long-term senior unsecured non-credit-enhanced debt ratings. The Utilization Fee will be added to the Applicable Margin for any date where outstanding Advances exceed 33 1/3% and 66 2/3% of commitments. The Utilization Fee will be calculated on a 360-day basis and will be payable on the same basis as interest.

BORROWINGS: Borrowings shall be in minimum principal amounts of \$10,000,000 and integral multiples of \$1,000,000 in excess thereof. All Advances (other than Competitive Bid Advances) shall be made by the Lenders ratably in proportion to their respective Commitments. Other than Competitive Bid Advances, borrowings will be available on same day notice for Base Rate Advances and 3 business days notice for Eurocurrency Rate Advances.

AVAILABILITY: From the Closing Date and prior to the Commitment Termination Date, the Borrowers may, subject to the terms of the 364-Day Facility, borrow, repay and reborrow.

COMPETITIVE BID OPTION: The Borrowers may request the Agent to solicit competitive bids from the Lenders (individually a "Bidder" and collectively the "Bidders") for Advances in U.S. Dollars or Foreign Currencies (meaning any currency other than U.S. Dollars which is freely transferable and convertible into U.S. Dollars), for requested maturities of 5 days or more. Each Bidder will bid at its discretion. Each Borrower's notice requesting such bids will be given to the Agent at least 1 business day prior to the proposed Advance date for fixed rate U.S. Dollar based bids, at least 4 business days prior to the proposed Advance date for Eurocurrency Rate U.S. Dollar based bids, at least 3 business days prior to the proposed Advance date for fixed or local rate based bids in Foreign Currencies and at least 5 business days prior to the proposed Advance date for Eurocurrency Rate based bids in Foreign Currencies, and will specify the proposed date of Advance, amount, currency and maturity date of the proposed Advance, interest payment schedule, the interest rate basis to be used by the Bidders in bidding, the location of such Borrower's account to which funds are to be advanced, and such other terms as such Borrower may specify. The Agent will advise the Bidders of the terms of the applicable Borrower's notice, and such Bidders as elect may submit bids, which the Agent shall provide to such Borrower.

The Borrower giving the notice may accept one or more bids, provided that the aggregate outstanding Advances of all Lenders on the date of, and after giving effect to, any Competitive Bid Advance shall not exceed the aggregate Commitments at such time. Bids will be accepted in order of the lowest to the highest rates ("Bid Rates"). The Borrowers may not accept bids in excess of the requested bid amount for any maturity. If two or more Bidders bid at the same Bid Rate, the amount to be borrowed at such Bid Rate will be allocated among such Bidders in proportion to the amount which each Bidder bid at such Bid Rate.

Each Borrowing under the Competitive Bid Option shall be in an amount of not less than \$10,000,000 and integral multiples of \$1,000,000 in excess thereof. While any such Borrowing is outstanding, it will be

deemed usage of the 364-Day Facility for the purposes of availability and the Commitment of each Lender (whether or not a Bidder) shall be reduced and deemed used for all purposes by its pro rata share (based on its respective Commitment) of an amount equal to the outstanding amount of such Borrowing. However, each Lender's Advance made under the Competitive Bid Option shall not reduce such Lender's obligation to lend its pro rata share of the remaining undrawn Commitment.

COMPETITIVE BID

ADMINISTRATIVE FEE: As agreed between Citibank and the Company.

ANNUAL AGENCY FEE: As agreed between Citibank and the Company.

REPAYMENT: The Borrowers will repay (i) each Advance (other than a Competitive Bid Advance) no later than on the Commitment Termination Date, subject to the Term Loan Conversion Option and (ii) each Competitive Bid Advance at the maturity date specified in the applicable Borrower's notice requesting such Competitive Bid Advance.

OPTIONAL

PREPAYMENT: Advances (other than Competitive Bid Advances) may be prepaid without penalty, with notice not later than 11:00 A.M. for Base Rate Advances, and with two business days notice for Eurocurrency Rate Advances, in minimum amounts of \$10,000,000 and increments of \$1,000,000 in excess thereof. The Borrowers will bear all costs related to the prepayment of a Eurocurrency Rate Advance prior to the last day of its Interest Period. Competitive Bid Advances may not be prepaid unless the invitation for Competitive Bid Advances specifies the right to prepay, and in such case the Borrowers will reimburse the Lender(s) for any funding losses.

LOAN

DOCUMENTATION: The commitments will be subject to preparation, execution and delivery of mutually acceptable loan documentation which will contain conditions precedent, representations and warranties, covenants, events of default and other provisions customary for facilities of this nature, including, but not limited to, those noted below. Except as otherwise specifically stated in this term sheet, terms and conditions set forth in documentation for the 364-Day Facility shall be substantially the same as such terms and conditions set forth in the Company's existing \$750 million five-year credit facility.

DOLLAR EQUIVALENT

VALUE LIMITATION

FOR ALL ADVANCES: If at any time the dollar equivalent value of all Advances exceeds 103% of the Facility Amount, the Borrowers shall promptly make a mandatory prepayment to reduce the dollar equivalent value of all Advances to 100% of the Facility Amount.

DOLLAR EQUIVALENT

VALUE LIMITATION FOR

ADVANCES IN MAJOR

CURRENCIES:

If at any time the dollar equivalent value of all Advances in Major and Alternate Currencies exceeds 110% of \$200,000,000 (the "Major Currency Sublimit"), the Borrowers shall make a mandatory prepayment at the end of the respective Interest Periods for such Advances to reduce the dollar equivalent value of all Advances in Major Currencies to 100% of the Major Currency Sublimit.

CONDITIONS

PRECEDENT TO

CLOSING:

Customary for facilities of this nature, including, but not limited to:

- (1) The Notes, if requested.
- (2) Board resolutions.
- (3) Incumbency certificate.
- (4) Favorable legal opinion from counsel for the Company.
- (5) Favorable legal opinion from counsel for the

Agent.

- (6) Accuracy of representations and warranties.
- (7) Amendment of the Borrowers' existing \$750,000,000 credit facility to have terms substantially similar to the \$2,250,000,000 Five-Year Credit Facility among the Borrowers, the Lenders and the Agent.
- (8) Termination of commitments and repayment in full of amounts owing under the \$900,000,000 364-Day Backstop Credit Agreement among the Borrowers, the Lenders and the Agent.

CONDITION PRECEDENT  
TO INITIAL ADVANCE:

The Lenders shall be satisfied that any applicable state takeover law and any supermajority charter provisions are not applicable to the acquisition of the Target or that any conditions for avoiding the restrictions set forth therein have been satisfied.

CONDITIONS  
PRECEDENT TO ALL  
ADVANCES:

Customary for facilities of this nature, including, but not limited to:

- (1) All representations and warranties are true and correct in all material respects on and as of the date of the Borrowing, before and after giving effect to such Borrowing and to the application of the proceeds therefrom, as though made on and as of such date; provided that the representation as to no material adverse change shall be made only at Closing and Renewal of Commitments.
- (2) No Event of Default or event which, with the giving of notice or passage of time or both, would be an Event of Default, has occurred and is continuing, or would result from such Borrowing.

CONDITIONS PRECEDENT TO  
INITIAL ADVANCE TO EACH  
BORROWER THAT IS A

DESIGNATED SUBSIDIARY: Customary for facilities of this nature, including, but not limited to:

- (1) Such Borrower's Note if requested;
- (2) Representations by the Company that such Borrower has received all governmental authorizations, consents, approvals and licenses under applicable laws and regulations for such Borrower to execute and deliver the Credit Agreement and to perform its obligations thereunder;
- (3) Board resolutions of such Borrower;
- (4) Incumbency Certificate of such Borrower;
- (5) Designation Letter;
- (6) Accuracy of representations and warranties of such Borrower;
- (7) Favorable legal opinion from counsel for such Borrower.

ADDITIONAL CONDITION  
PRECEDENT TO  
COMPETITIVE  
BID ADVANCES:

The information provided by the applicable Borrower does not contain an untrue statement or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances under which they are made, not misleading.

REPRESENTATIONS  
AND WARRANTIES:

Customary for facilities of this nature, including, but not limited to:

- (1) Confirmation of corporate status and authority;
- (2) Execution, delivery, and performance of loan documents do not violate law or existing agreements;

- (3) No government or regulatory approvals required;
- (4) No litigation currently or threatened which is likely to be determined adversely so as to affect materially the ability of the Company to pay its debts, including the Advances, or which would affect the legality, validity and enforceability of the loan documents;
- (5) No material adverse change in financial condition or results of operations or prospects since December 31, 1997 for the Company and its Consolidated Subsidiaries taken as a whole;
- (6) Accuracy of information, financial statements;
- (7) Material compliance with laws and regulations, including ERISA and all applicable environmental laws and regulations;
- (8) Legality, validity, binding effect and enforceability of the loan documents;
- (9) Not an investment company or public utility holding company.

FINANCIAL  
COVENANTS:

- (1) Minimum Net Worth greater than or equal to \$3,300,000,000;
- (2) Limitation on Domestic Subsidiary Indebtedness.

COVENANTS:

Customary for facilities of this nature, including, but not limited to:

- (1) Preservation of corporate existence;
- (2) Material compliance with laws (including ERISA and applicable environmental laws);
- (3) Payment of taxes;
- (4) Payment of material obligations;
- (5) Visitation rights;
- (6) Maintenance of books and records;
- (7) Maintenance of properties;
- (8) Maintenance of insurance;
- (9) Negative pledge and limitations on liens and secured debt with certain exceptions essentially in conformity to Section 1005 of the 1985 Indenture (which will not be incorporated by reference, but will be directly inserted);
- (10) Certain restrictions on change of business, consolidations, mergers, sale of assets;
- (11) Certain reporting requirements, including financial and ERISA;
- (12) Use of proceeds;
- (13) Change of control.

EVENTS OF DEFAULT:

Customary for facilities of this nature, including, but not limited to:

- (1) Failure to pay principal when due and interest, Facility Fee and Utilization Fee within three business days of when due;
- (2) Representations or warranties materially incorrect;
- (3) Failure to comply with covenants (with notice and cure periods as applicable);
- (4) Cross-default to payment defaults on principal aggregating \$100,000,000, excluding defaults on indebtedness to any institution to the extent the Company or a Subsidiary has deposits with such institution sufficient to repay such

indebtedness, or to default or event if the effect is to accelerate or permit acceleration of any such debt. This cross default provision shall not apply to debt of any subsidiary or affiliate of the Company located in China, India, Commonwealth of Independent States or Turkey provided that such debt is not guaranteed or supported in any legally enforceable manner by any Borrower or by any subsidiary or affiliate of the Company located outside of these countries, and such default is due to the direct or indirect action of any government entity or agency of these countries and provided further each subsidiary to which this exception applies shall not have assets of more than \$80 million individually nor collectively \$300 million measured as of the most recent calendar quarter end;

- (5) Unsatisfied judgment or order in excess of \$100,000,000 individually or in the aggregate. A carve-out will be provided similar to that contained in the second sentence of item (4) immediately above;
- (6) Bankruptcy/insolvency;
- (7) ERISA Event and aggregate Plan Insufficiencies exceed \$100,000,000, or Plan reorganization or termination resulting in an increase in annual contributions exceeding \$100,000,000.

ECONOMIC MONETARY UNION:

Appropriate language will be incorporated into the 364-Day Facility to address certain issues that will be raised by the introduction of the Euro on January 1, 1999 and the removal from circulation of the various national currency denominations on and after January 1, 2002.

OTHER:

Loan documentation will include:

- (1) Indemnification of Agent and Lenders and their respective affiliates, officers, directors, employees, agents and advisors for any liabilities and expenses arising out of the 364-Day Facility or the use of proceeds.
- (2) Normal agency language.
- (3) Majority Lenders defined as those holding 51% of outstanding Advances (excluding Competitive Bid Advances) or, if none, Commitments. The consent of all the Lenders will be required to increase the size of the 364-Day Facility, to extend the maturity or to decrease interest rates or fees.
- (4) The Company will have the right to replace any Lender through assignment or the addition of a new Lender provided that no Event of Default has occurred and is continuing and no more than 3 Lenders in any calendar year may be replaced.

ASSIGNMENTS AND PARTICIPATIONS:

Each Lender will have the right to assign to one or more Eligible Assignees all or a portion of its rights and obligations under the loan documents with the consent of the Company (not to be unreasonably withheld). Minimum aggregate assignment level of \$10,000,000 and increments of \$1,000,000 in excess thereof. The parties to the assignment (other than the Company) shall pay to the Agent an administrative fee of \$3,500 per assignment.

Each Lender will also have the right, without the consent of the Company or the Agent, to assign (i) as security, all or part of its rights under the loan documents to any Federal Reserve Bank and (ii) with notice to the Company and the Agent, all or part of its rights or obligations under the loan documents to any of its affiliates.

Each Lender will have the right to sell participations in its rights and obligations under the loan documents, subject to customary restrictions on the participants' voting rights. Each Lender selling a participation shall notify the Company within 30 days of such sale.

YIELD PROTECTION,  
TAXES, AND  
OTHER DEDUCTIONS:

- (1) The loan documents will contain yield protection provisions, customary for facilities of this nature, protecting the Lenders in the event of unavailability of funding, funding losses, reserve and capital adequacy requirements.
- (2) All payments to be free and clear of any present or future taxes, withholdings or other deductions whatsoever (other than income taxes in the jurisdiction of the Lender's applicable lending office).

The Company will have the right to replace any Lender which requests reimbursements for amounts owing under (1) and (2) above provided that (i) no Event of Default, or event which with the giving of notice or lapse of time or both would be an Event of Default, has occurred and is continuing, (ii) the Company has satisfied all of its obligations under the Facility relating to such Lender, and (iii) any replacement is acceptable to the Agent and the Company will have paid the Agent a \$3,500 administrative fee if such replacement Lender is not an existing Lender.

GOVERNING LAW:

State of New York.

COUNSEL TO  
THE AGENT:

Shearman & Sterling

EXPENSES:

The Company shall reimburse each Arranger, the Co-Arranger and Citibank for all agreed out-of-pocket expenses incurred by them in the negotiation, syndication and execution of the Facility. Such expenses shall be reimbursed by the Company upon presentation of a statement of account, regardless of whether the transaction contemplated is actually completed or the loan documents are signed.

ALLIEDSIGNAL INC.

\$7,000,000,000 364-DAY REVOLVING CREDIT FACILITY  
PRICING GRID

	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	LEVEL 5	LEVEL 6
BASIS FOR PRICING	LT Senior Unsecured Debt Rated At Least A By Standard & Poor's Or A2 By Moody's.	LT Senior Unsecured Debt Rated Less Than Level 1 But At Least A- By Standard & Poor's Or A3 By Moody's.	LT Senior Unsecured Debt Rated Less Than Level 2 But At Least BBB+ By Standard & Poor's Or BAA1 By Moody's.	LT Senior Unsecured Debt Rated Less Than Level 3 But At Least BBB By Standard & Poor's Or BAA2 By Moody's.	LT Senior Unsecured Debt Rated Less Than Level 4 But At Least BBB-By Standard & Poor's Or BAA3 By Moody's.	LT Senior Unsecured Debt Rated Less Than Level 5.
FACILITY FEE (FN1)	5.5 bps	7.0 bps	8.5 bps	9.5 bps	12.0 bps	20.0 bps
APPLICABLE MARGIN	17.0 bps	20.5 bps	26.5 bps	30.5 bps	40.5 bps	50.0 bps
DRAWN COST (FN2)	LIBOR+22.5 bps	LIBOR+27.5 bps	LIBOR+35.0 bps	LIBOR+40.0 bps	LIBOR+52.5 bps	LIBOR+70.0 bps
UTILIZATION FEE (USAGE (greater than or equal to) 33 1/3% AND (less than) 66 2/3%)	0.0 bps	2.5 bps	2.5 bps	5.0 bps	5.0 bps	5.0 bps
UTILIZATION FEE (USAGE (greater than or equal to) 66 2/3%)	2.5 bps	5.0 bps	5.0 bps	10.0 bps	10.0 bps	17.5 bps
FULLY DRAWN COST (FN3)	LIBOR+25.0 bps	LIBOR+32.5 bps	LIBOR+40.0 bps	LIBOR+50.0 bps	LIBOR+62.5 bps	LIBOR+87.5 bps

- (1) Paid quarterly in arrears on each bank's commitment irrespective of usage.  
(2) Facility Fee plus Applicable Margin.  
(3) Drawn Cost plus Utilization Fee.  
bps = basis points per annum



ALLIEDSIGNAL INC.

\$7,000,000,000 ONE YEAR TERM-OUT OPTION  
PRICING GRID

	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	LEVEL 5	LEVEL 6
BASIS FOR PRICING	LT Senior Unsecured Debt Rated At Least A By Standard & Poor's Or A2 By Moody's.	LT Senior Unsecured Debt Rated Less Than Level 1 But At Least A- By Standard & Poor's Or A3 By Moody's.	LT Senior Unsecured Debt Rated Less Than Level 2 But At Least BBB+ By Standard & Poor's Or BAA1 By Moody's.	LT Senior Unsecured Debt Rated Less Than Level 3 But At Least BBB By Standard & Poor's Or BAA2 By Moody's.	LT Senior Unsecured Debt Rated Less Than Level 4 But At Least BBB-By Standard & Poor's Or BAA3 By Moody's.	LT Senior Unsecured Debt Rated Less Than Level 5.
APPLICABLE MARGIN	22.5 bps	27.5 bps	35.0 bps	40.0 bps	52.5 bps	70.0 bps
UTILIZATION FEE (USAGE (greater than or equal to) 33 1/3% AND (less than) 66 2/3%)	0.0 bps	2.5 bps	2.5 bps	5.0 bps	5.0 bps	5.0 bps
UTILIZATION FEE (USAGE (greater than or equal to) 66 2/3%)	2.5 bps	5.0 bps	5.0 bps	10.0 bps	10.0 bps	17.5 bps
FULLY DRAWN COST (FN1)	LIBOR+25.0 bps	LIBOR+32.5 bps	LIBOR+40.0 bps	LIBOR+50.0 bps	LIBOR+62.5 bps	LIBOR+87.5 bps

(1) Applicable Margin plus Utilization Fee.  
bps = basis points per annum

ALLIEDSIGNAL INC.

\$900,000,000 ONE YEAR TERM-OUT OPTION  
PRICING GRID

	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	LEVEL 5	LEVEL 6
BASIS FOR PRICING	LT Senior Unsecured Debt Rated At Least A By Standard & Poor's Or A2 By Moody's.	LT Senior Unsecured Debt Rated Less Than Level 1 But At Least A- By Standard & Poor's Or A3 By Moody's.	LT Senior Unsecured Debt Rated Less Than Level 2 But At Least BBB+ By Standard & Poor's Or BAA1 By Moody's.	LT Senior Unsecured Debt Rated Less Than Level 3 But At Least BBB By Standard & Poor's Or BAA2 By Moody's.	LT Senior Unsecured Debt Rated Less Than Level 4 But At Least BBB-By Standard & Poor's Or BAA3 By Moody's.	LT Senior Unsecured Debt Rated Less Than Level 5.
APPLICABLE MARGIN	22.5 bps	27.5 bps	35.0 bps	40.0 bps	52.5 bps	70.0 bps

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UTILIZATION FEE  
(USAGE  
(greater than  
or equal to)  
33 1/3% AND  
(less than)  
66 2/3%)

0.0 bps	2.5 bps	2.5 bps	5.0 bps	5.0 bps	5.0 bps
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UTILIZATION FEE  
(USAGE  
(greater than  
or equal to)  
66 2/3%)

2.5 bps	5.0 bps	5.0 bps	10.0 bps	10.0 bps	17.5 bps
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FULLY DRAWN COST(FN1)

LIBOR+25.0 bps	LIBOR+32.5 bps	LIBOR+40.0 bps	LIBOR+50.0 bps	LIBOR+62.5 bps	LIBOR+87.5 bps
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(1) Applicable Margin plus Utilization Fee.  
bps = basis points per annum

ALLIEDSIGNAL INC.

SUMMARY OF TERMS AND CONDITIONS  
\$2,250,000,000 5-YEAR MULTI CURRENCY REVOLVING CREDIT FACILITY

BORROWERS: AlliedSignal Inc. (the "Company") and any Designated Subsidiaries (together with the Company, the "Borrowers"), fully and unconditionally guaranteed by the Company.

FACILITY AMOUNT: \$2,250,000,000 or such other amount as provided for under the Commitment Increase and Commitment Reduction sections of this Summary of Terms and Conditions, but, in any event, no more than \$5,000,000,000.

TYPE OF FACILITY: Five year unsecured multi currency revolving credit facility (the "5-Year Facility").

PURPOSE: Finance the acquisition of AMP Inc. (the "Target") and general corporate purposes, including commercial paper backstop.

ADMINISTRATIVE AGENT: Citibank, N.A. ("Citibank", or the "Agent").

BOOKRUNNER: Salomon Smith Barney Inc. ("SSB").

ARRANGERS: Banque Nationale de Paris ("BNP"), Barclays Capital, the investment banking division of Barclays Bank PLC, Deutsche Bank Securities Inc., J.P. Morgan Securities, Inc., NationsBanc Montgomery Securities LLC and SSB.

LENDERS: Citibank, Bank of America NT&SA ("BofA"), BNP, Barclays Bank PLC ("Barclays"), Deutsche Bank AG, New York Branch and/or Cayman Islands Branch ("Deutsche"), Morgan Guaranty Trust Company of New York ("Morgan") and other financial institutions acceptable to the Arrangers and the Company.

CLOSING DATE: Such date as may be agreed upon by the Company, the Arrangers and the Agent.

COMMITMENT TERMINATION DATE: Fifth anniversary of the Closing Date.

ADVANCES: At the applicable Borrower's option, either Eurocurrency Rate Advances, Base Rate Advances or Competitive Bid Advances. Each Lender will be severally obligated to make its pro rata share of any Eurocurrency Rate Advance or Base Rate Advance. Eurocurrency Rate Advances, at the applicable Borrower's option, may be made in U.S. Dollars, Pounds Sterling, Deutsche Marks, French Francs, Euros/Ecu and Japanese Yen (the "Major Currencies").

COMMITMENT INCREASE: The Company shall have the right, no more than once a year after Closing, to increase the Facility Amount, in minimum increments of \$50,000,000, up to a maximum Facility Amount of \$5,000,000,000, provided that no Event of Default, or event which with the giving of notice or lapse of time or both would be an Event of Default, has occurred and is continuing. The Company may offer the increase to (x) its existing Lenders, and each existing Lender will have the right, but no obligation, to commit to all or a portion of the proposed increase (the "Proposed Increased Commitment") or (y) third party financial institutions provided that the minimum commitment of each such institution equals or exceeds \$10,000,000.

COMMITMENT REDUCTION: The Company will have the right, upon at least three business days' notice, to terminate or cancel, in whole or in part, the

unused portion of the 5-Year Facility Amount in excess of the aggregate outstanding Competitive Bid Advances, provided that each partial reduction shall be in a minimum amount of \$10,000,000 or any whole multiple of \$1,000,000 in excess thereof. Once terminated, a commitment may not be reinstated except as provided for in the Commitment Increase section.

FACILITY FEE:

As per attached Pricing Grid, based on the Company's long-term senior unsecured non-credit enhanced debt ratings, payable on each Lender's commitment, irrespective of usage, quarterly in arrears on the last day of each March, June, September and December, and on the Commitment Termination Date. The Facility Fee shall be calculated on the basis of actual number of days elapsed in a year of 365/366 days.

EXTENSION OF COMMITMENT  
TERMINATION DATE:

At least 45 but no earlier than 60 days prior to each anniversary date of the 5-Year Facility and provided all representations and warranties are true and correct in all material respects and no Event of Default has occurred and is continuing, the Company may request that the Lenders extend for an additional one year the then applicable Commitment Termination Date. The Company may replace any non-consenting Lender by assignment to any consenting Lender or new Lender, or by termination of a non-consenting Lender's commitment.

INTEREST RATES AND  
INTEREST PERIODS:

At the applicable Borrower's option, any Advance that is made to it will be available at the rates and for the Interest Periods stated below:

- a) Base Rate: a fluctuating rate equal to the Base Rate plus the Applicable Margin.

The Base Rate is a fluctuating rate per annum equal at all times to the highest of (i) Citibank's publicly announced "base" rate, (ii) 1/2 of 1% percent per annum above the latest three-week moving average of secondary market morning offering rates in the United States for three-month certificates of deposit of major U.S. money market banks, adjusted to the nearest 1/16 of 1%, and (iii) a rate equal to 1/2 of 1% per annum above the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers.

- b) Eurocurrency Rate: a periodic fixed rate equal to the Eurocurrency Rate plus the Applicable Margin.

The Eurocurrency Rate, which is a rate per annum equal to the London Interbank Offered Rate as determined by reference to Dow Jones Markets screen 3750 (or other applicable pages with respect to a Major Currency), or if not applicable the average rate per annum (rounded upward to the nearest 1/16 of 1%) at which deposits in the applicable Major Currency are offered by the Reference Banks to prime banks in the London interbank market at 11:00 A.M. (London time) two business days before the first day of the Interest Period and in amounts approximately equal to the Reference Banks' pro rata share of the contemplated Advance for a given Interest Period and with a maturity equal to such Interest Period, adjusted for reserve requirements and, in the case of particular Major Currencies, as

appropriate for such currencies. The Eurocurrency Rate shall be fixed for Interest Periods of 1, 2, 3, 6, 9 or 12 months (9 or 12 month options if available to all Lenders).

APPLICABLE MARGIN: The Applicable Margin means:

- (i) for Base Rate Advances, 0.00 basis points per annum;
- (ii) for Eurocurrency Rate Advances, an amount which will vary as per the attached Pricing Grid, based on the Company's long-term senior unsecured non-credit enhanced debt ratings.

Upon the occurrence and during the continuance of any monetary Event of Default, the Applicable Margin will increase by 100 basis points per annum, and if such Advance is a Eurocurrency Rate Advance, it will convert to a Base Rate Advance at the end of the Interest Period then in effect for such Eurocurrency Rate Advance.

REFERENCE BANKS: Citibank, BofA, BNP, Barclays, Deutsche and Morgan.

INTEREST PAYMENTS: At the end of each Interest Period for each Advance, but no less frequently than quarterly. Interest will be computed on a 365/366-day basis for Base Rate Advances and a 360-day basis for Eurocurrency Rate Advances.

UTILIZATION FEE: As per the attached Pricing Grid, based on the Company's long-term senior unsecured non-credit-enhanced debt ratings. The Utilization Fee will be added to the Applicable Margin for any date where outstanding Advances exceed 33 1/3% and 66 2/3% of commitments. The Utilization Fee will be calculated on a 360-day basis and will be payable on the same basis as interest.

BORROWINGS: Borrowings shall be in minimum principal amounts of \$10,000,000 and integral multiples of \$1,000,000 in excess thereof. All Advances (other than Competitive Bid Advances) shall be made by the Lenders ratably in proportion to their respective Commitments. Other than Competitive Bid Advances, borrowings will be available on same day notice for Base Rate Advances and 3 business days notice for Eurocurrency Rate Advances.

AVAILABILITY: From the Closing Date and prior to the Commitment Termination Date, the Borrowers may, subject to the terms of the 5-Year Facility, borrow, repay and reborrow.

COMPETITIVE BID OPTION: The Borrowers may request the Agent to solicit competitive bids from the Lenders (individually a "Bidder" and collectively the "Bidders") for Advances in U.S. Dollars or Foreign Currencies (meaning any currency other than U.S. Dollars which is freely transferable and convertible into U.S. Dollars), for requested maturities of 5 days or more. Each Bidder will bid at its discretion. Each Borrower's notice requesting such bids will be given to the Agent at least 1 business day prior to the proposed Advance date for fixed rate U.S. Dollar based bids, at least 4 business days prior to the proposed Advance date for Eurocurrency Rate U.S. Dollar based bids, at least 3 business days prior to the proposed Advance date for fixed or local rate based bids in Foreign Currencies and at least 5 business days prior to the proposed Advance date for Eurocurrency Rate based bids in Foreign Currencies, and will specify the proposed date of Advance, amount, currency and maturity date of the proposed Advance, interest payment schedule,

the interest rate basis to be used by the Bidders in bidding, the location of such Borrower's account to which funds are to be advanced, and such other terms as such Borrower may specify. The Agent will advise the Bidders of the terms of the applicable Borrower's notice, and such Bidders as elect may submit bids, which the Agent shall provide to such Borrower.

The Borrower giving the notice may accept one or more bids, provided that the aggregate outstanding Advances of all Lenders on the date of, and after giving effect to, any Competitive Bid Advance shall not exceed the aggregate Commitments at such time. Bids will be accepted in order of the lowest to the highest rates ("Bid Rates"). The Borrowers may not accept bids in excess of the requested bid amount for any maturity. If two or more Bidders bid at the same Bid Rate, the amount to be borrowed at such Bid Rate will be allocated among such Bidders in proportion to the amount which each Bidder bid at such Bid Rate.

Each Borrowing under the Competitive Bid Option shall be in an amount of not less than \$10,000,000 and integral multiples of \$1,000,000 in excess thereof. While any such Borrowing is outstanding, it will be deemed usage of the 5-Year Facility for the purposes of availability and the Commitment of each Lender (whether or not a Bidder) shall be reduced and deemed used for all purposes by its pro rata share (based on its respective Commitment) of an amount equal to the outstanding amount of such Borrowing. However, each Lender's Advance made under the Competitive Bid Option shall not reduce such Lender's obligation to lend its pro rata share of the remaining undrawn Commitment.

COMPETITIVE BID

ADMINISTRATIVE FEE: As agreed between Citibank and the Company.

ANNUAL AGENCY FEE: As agreed between Citibank and the Company.

REPAYMENT: The Borrowers shall repay (i) each Advance (including a Competitive Bid Advance) no later than on the Commitment Termination Date and (ii) each Competitive Bid Advance at the maturity date specified in the applicable Borrower's notice requesting such Competitive Bid Advance.

OPTIONAL

PREPAYMENT: Advances (other than Competitive Bid Advances) may be prepaid without penalty, with notice not later than 11:00 A.M. for Base Rate Advances, and with two business days notice for Eurocurrency Rate Advances, in minimum amounts of \$10,000,000 and increments of \$1,000,000 in excess thereof. The Borrowers will bear all costs related to the prepayment of a Eurocurrency Rate Advance prior to the last day of its Interest Period. Competitive Bid Advances may not be prepaid unless the invitation for Competitive Bid Advances specifies the right to prepay, and in such case the Borrowers will reimburse the Lender(s) for any funding losses.

LOAN

DOCUMENTATION: The commitments will be subject to preparation, execution and delivery of mutually acceptable loan documentation which will contain conditions precedent, representations and warranties, covenants, events of default and other provisions customary for facilities of this nature, including, but not limited to, those noted below. Except as otherwise specifically stated in this term sheet, terms and conditions set forth in documentation for the 5-Year Facility shall be substantially the same as such terms and conditions set forth in the Company's existing \$750 million

five-year facility.

DOLLAR EQUIVALENT  
VALUE LIMITATION  
FOR ALL ADVANCES:

If at any time the dollar equivalent value of all Advances exceeds 103% of the Facility Amount, the Borrowers shall promptly make a mandatory prepayment to reduce the dollar equivalent value of all Advances to 100% of the Facility Amount.

DOLLAR EQUIVALENT  
VALUE LIMITATION FOR  
ADVANCES IN MAJOR  
CURRENCIES:

If at any time the dollar equivalent value of all Advances in Major and Alternate Currencies exceeds 110% of \$200,000,000 (the "Major Currency Sublimit"), the Borrowers shall make a mandatory prepayment at the end of the respective Interest Periods for such Advances to reduce the dollar equivalent value of all Advances in Major Currencies to 100% of the Major Currency Sublimit.

CONDITIONS  
PRECEDENT TO  
CLOSING:

Customary for facilities of this nature, including, but not limited to:

- (1) The Notes, if requested.
- (2) Board resolutions.
- (3) Incumbency certificate.
- (4) Favorable legal opinion from counsel for the Company.
- (5) Favorable legal opinion from counsel for the Agent.
- (6) Accuracy of representations and warranties.
- (7) Amendment of the Borrowers' existing \$750,000,000 credit facility to have terms substantially similar to this Facility.

CONDITIONS PRECEDENT  
TO INITIAL ADVANCE:

The Lenders shall be satisfied that any applicable state takeover law and any supermajority charter provisions are not applicable to the acquisition of the Target or that any conditions for avoiding the restrictions set forth therein have been satisfied.

CONDITIONS  
PRECEDENT TO ALL  
ADVANCES:

Customary for facilities of this nature, including, but not limited to:

- (1) All representations and warranties are true and correct in all material respects on and as of the date of the Borrowing, before and after giving effect to such Borrowing and to the application of the proceeds therefrom, as though made on and as of such date; provided that the representation as to no material adverse change shall be made only at Closing and Extension of Termination Date.
- (2) No Event of Default or event which, with the giving of notice or passage of time or both, would be an Event of Default, has occurred and is continuing, or would result from such Borrowing.

CONDITIONS PRECEDENT TO  
INITIAL ADVANCE TO EACH  
BORROWER THAT IS A  
DESIGNATED SUBSIDIARY:

Customary for facilities of this nature, including, but not limited to:

- (1) Such Borrower's Note, if requested;

- (2) Representations by the Company that such Borrower has received all governmental authorizations, consents, approvals and licenses under applicable laws and regulations for such Borrower to execute and deliver the Credit Agreement and to perform its obligations thereunder;
- (3) Board resolutions of such Borrower;
- (4) Incumbency Certificate of such Borrower;
- (5) Designation Letter;
- (6) Accuracy of representations and warranties of such Borrower;
- (7) Favorable legal opinion from counsel for such Borrower.

ADDITIONAL CONDITION  
PRECEDENT TO COMPETITIVE  
BID ADVANCES:

The information provided by the applicable Borrower does not contain an untrue statement or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances under which they are made, not misleading.

REPRESENTATIONS  
AND WARRANTIES:

Customary for facilities of this nature, including, but not limited to:

- (1) Confirmation of corporate status and authority;
- (2) Execution, delivery, and performance of loan documents do not violate law or existing agreements;
- (3) No government or regulatory approvals required;
- (4) No litigation currently or threatened which is likely to be determined adversely so as to affect materially the ability of the Company to pay its debts, including the Advances, or which would affect the legality, validity and enforceability of the loan documents;
- (5) No material adverse change in financial condition or results of operations or prospects since December 31, 1997 for the Company and its Consolidated Subsidiaries taken as a whole;
- (6) Accuracy of information, financial statements;
- (7) Material compliance with laws and regulations, including ERISA and all applicable environmental laws and regulations;
- (8) Legality, validity, binding effect and enforceability of the loan documents;
- (9) Not an investment company or public utility holding company.

FINANCIAL  
COVENANTS:

- (1) Minimum Net Worth greater than or equal to \$3,300,000,000;
- (2) Limitation on Domestic Subsidiary Indebtedness.

OTHER COVENANTS:

Customary for facilities of this nature, including, but not limited to:

- (1) Preservation of corporate existence;
- (2) Material compliance with laws (including ERISA and applicable environmental laws);



- (3) Payment of taxes;
- (4) Payment of material obligations;
- (5) Visitation rights;
- (6) Maintenance of books and records;
- (7) Maintenance of properties;
- (8) Maintenance of insurance;
- (9) Negative pledge and limitations on liens and secured debt with certain exceptions essentially in conformity to Section 1005 of the 1985 Indenture (which will not be incorporated by reference, but will be directly inserted);
- (10) Certain restrictions on change of business, consolidations, mergers, sale of assets;
- (11) Certain reporting requirements, including financial and ERISA;
- (12) Use of proceeds;
- (13) Change of control.

EVENTS OF DEFAULT:

Customary for facilities of this nature, including, but not limited to:

- (1) Failure to pay principal when due and interest, Facility Fee and Utilization Fee within three business days of when due;
- (2) Representations or warranties materially incorrect;
- (3) Failure to comply with covenants (with notice and cure periods as applicable);
- (4) Cross-default to payment defaults on principal aggregating \$100,000,000, excluding defaults on indebtedness to any institution to the extent the Company or a Subsidiary has deposits with such institution sufficient to repay such indebtedness, or to default or event if the effect is to accelerate or permit acceleration of any such debt. This cross default provision shall not apply to debt of any subsidiary or affiliate of the Company located in China, India, Commonwealth of Independent States or Turkey provided that such debt is not guaranteed or supported in any legally enforceable manner by any Borrower or by any subsidiary or affiliate of the Company located outside of these countries, and such default is due to the direct or indirect action of any government entity or agency of these countries and provided further each subsidiary to which this exception applies shall not have assets of more than \$80 million individually nor collectively \$300 million measured as of the most recent calendar quarter end;
- (5) Unsatisfied judgment or order in excess of \$100,000,000 individually or in the aggregate. A carve-out will be provided similar to that contained in the second sentence of item (4) immediately above;
- (6) Bankruptcy/insolvency;
- (7) ERISA Event and aggregate Plan Insufficiencies exceed \$100,000,000, or Plan reorganization or termination resulting in an increase in annual contributions exceeding \$100,000,000.

ECONOMIC MONETARY  
UNION:

Appropriate language will be incorporated into the 5-Year Facility to address certain issues that will be raised by the introduction of the Euro on January 1, 1999 and the removal from circulation of the various national currency denominations on and after January 1, 2002.

OTHER:

Loan documentation will include:

- (1) Indemnification of Agent and Lenders and their respective affiliates, officers, directors, employees, agents and advisors for any liabilities and expenses arising out of the 5-Year Facility or the use of proceeds.
- (2) Normal agency language.
- (3) Majority Lenders defined as those holding 51% of outstanding Advances (excluding Competitive Bid Advances) or, if none, Commitments. The consent of all the Lenders will be required to increase the size of the 5-Year Facility (other than as provided for in the Commitment Increase section), to extend the maturity or to decrease interest rates or fees.
- (4) The Company will have the right to replace any Lender through assignment or the addition of a new Lender, provided that no Event of Default has occurred and is continuing and no more than 3 Lenders in any calendar year may be replaced.

ASSIGNMENTS AND  
PARTICIPATIONS:

Each Lender will have the right to assign to one or more Eligible Assignees all or a portion of its rights and obligations under the loan documents with the consent of the Company (not to be reasonably withheld). Minimum aggregate assignment level of \$10,000,000 and increments of \$1,000,000 in excess thereof. The parties to the assignment (other than the Company) shall pay to the Agent an administrative fee of \$3,500 per assignment.

Each Lender will also have the right, without the consent of the Company or the Agent, to assign (i) as security, all or part of its rights under the loan documents to any Federal Reserve Bank and (ii) with notice to the Company and the Agent, all or part of its rights or obligations under the loan documents to any of its affiliates.

Each Lender will have the right to sell participations in its rights and obligations under the loan documents, subject to customary restrictions on the participants' voting rights. Each Lender selling a participation shall notify the Company within 30 days of such sale.

YIELD PROTECTION,  
TAXES, AND  
OTHER DEDUCTIONS:

- (1) The loan documents will contain yield protection provisions, customary for facilities of this nature, protecting the Lenders in the event of unavailability of funding, funding losses, reserve and capital adequacy requirements.
- (2) All payments to be free and clear of any present or future taxes, withholdings or other deductions whatsoever (other than income taxes in the jurisdiction of the Lender's applicable lending office).

The Company will have the right to replace any Lender which requests reimbursements for amounts owing under (1) and (2) above,

provided that (i) no Event of Default, or event which with the giving of notice or lapse of time or both would be an Event of Default, has occurred and is continuing, (ii) the Company has satisfied all of its obligations under the Facility relating to such Lender, and (iii) any replacement is acceptable to the Agent and the Company will have paid the Agent a \$3,500 administrative fee if such replacement Lender is not an existing Lender.

GOVERNING LAW: State of New York.

COUNSEL TO  
THE AGENT: Shearman & Sterling

EXPENSES: The Company shall reimburse each Arranger, the Co-Arranger and Citibank for all agreed out-of-pocket expenses incurred by them in the negotiation, syndication and execution of the Facility. Such expenses shall be reimbursed by the Company upon presentation of a statement of account, regardless of whether the transaction contemplated is actually completed or the loan documents are signed.

ALLIEDSIGNAL INC.

\$2,250,000,000 5-YEAR REVOLVING CREDIT FACILITY  
PRICING GRID

	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	LEVEL 5	LEVEL 6
BASIS FOR PRICING	LT Senior Unsecured Debt Rated At Least A By Standard & Poor's Or A2 By Moody's.	LT Senior Unsecured Debt Rated Less Than Level 1 But At Least A- By Standard & Poor's Or A3 by Moody's.	LT Senior Unsecured Debt Rated Less Than Level 2 But At Least BBB+ By Standard & Poor's Or BAA1 by Moody's.	LT Senior Unsecured Debt Rated Less Than Level 3 But At Least BBB Standard & Poor's Or BAA2 By Moody's.	LT Senior Unsecured Debt Rated Less Than Level 4 But At Least BBB- By Standard & Poor's Or BAA3 By Moody's.	LT Senior Unsecured Debt Rated Less Than Level 5.
FACILITY FEE (FN1)	7.5 bps	9.0 bps	10.5 bps	12.0 bps	14.5 bps	25.0 bps
APPLICABLE MARGIN	15.0 bps	18.5 bps	24.5 bps	28.50bps	38.0 bps	45.0 bps
DRAWN COST (FN2)	LIBOR +22.5 bps	LIBOR +27.5 bps	LIBOR +35.0 bps	LIBOR +40.0 bps	LIBOR +52.5 bps	LIBOR +70.0 bps
UTILIZATION FEE (USAGE (greater than or equal to) 33 1/3% AND (less than) 66 2/3%)	0.0 bps	2.5 bps	2.5 bps	5.0 bps	5.0 bps	5.0 bps
UTILIZATION FEE (USAGE (greater than or equal to) 66 2/3%)	2.5 bps	5.0 bps	5.0 bps	10.0 bps	10.0 bps	17.5 bps
FULLY DRAWN COST (FN3)	LIBOR +25.0 bps	LIBOR +32.5 bps	LIBOR +40.0 bps	LIBOR +50.0 bps	LIBOR +62.5 bps	LIBOR +87.5 bps

- (1) Paid quarterly in arrears on each bank's commitment irrespective of usage.  
(2) Facility Fee plus Applicable Margin.  
(3) Drawn Cost plus Utilization Fee.  
bps = basis points per annum

ALLIEDSIGNAL INC.

SUMMARY OF TERMS AND CONDITIONS  
\$900,000,000 364-DAY MULTI CURRENCY REVOLVING CREDIT FACILITY  
WITH ONE YEAR TERM-OUT OPTION

BORROWERS: AlliedSignal Inc. (the "Company") and any Designated Subsidiaries (together with the Company, the "Borrowers"), fully and unconditionally guaranteed by the Company.

FACILITY AMOUNT: \$900,000,000.

TYPE OF FACILITY: 364-day unsecured revolving credit facility (the "Backstop Facility"). Provided there is no default or Event of Default, the Company will have the option, on the Commitment Termination Date, to convert outstanding Advances into a term loan maturing no later than the first anniversary of the Commitment Termination Date (the "Term Loan Conversion Option").

PURPOSE: Finance the acquisition of AMP Inc. (the "Target") and general corporate purposes, including commercial paper backstop.

ADMINISTRATIVE AGENT: Citibank, N.A. ("Citibank", or the "Agent").

BOOKRUNNER: Salomon Smith Barney Inc. ("SSB").

ARRANGERS: Banque Nationale de Paris ("BNP"), Barclays Capital, the investment banking division of Barclays Bank PLC, Deutsche Bank Securities Inc., J.P. Morgan Securities Inc., NationsBanc Montgomery Securities LLC and SSB.

LENDERS: Citibank, Bank of America NT&SA ("BofA"), BNP, Barclays Bank PLC ("Barclays"), Deutsche Bank AG, New York Branch and/or Cayman Islands Branch ("Deutsche"), Morgan Guaranty Trust Company of New York ("Morgan") and other financial institutions acceptable to the Arrangers and the Company.

CLOSING DATE: Such date as may be agreed upon by the Company, the Arrangers and the Agent.

COMMITMENT TERMINATION DATE: 364 days from the Closing Date, subject to the Renewal of Commitments section.

FINAL MATURITY DATE: The Commitment Termination Date, provided that, if the Company elects the Term Loan Conversion Option, the Final Maturity Date will be the first anniversary of the Commitment Termination Date.

ADVANCES: At the applicable Borrower's option, either Eurocurrency Rate Advances, Base Rate Advances or Competitive Bid Advances. Each Lender will be severally obligated to make its pro rata share of any Eurocurrency Rate Advance or Base Rate Advance. Eurocurrency Rate Advances, at the applicable Borrower's option, may be made in U.S. Dollars, Pounds Sterling, Deutsche Marks, French Francs, Euros/Ecu and Japanese Yen (the "Major Currencies").

RENEWAL OF COMMITMENTS: At least 45 but no earlier than 60 days prior to each anniversary date of the Backstop Facility and provided all representations and warranties are true and correct in all material respects and no Event of Default has occurred and is continuing, the Company may request that the Lenders extend for an additional 364 days the then applicable Commitment Termination Date. The Company may replace any non-consenting Lender by assignment to any consenting Lender or new Lender, or by termination of a non-consenting Lender's commitment.

COMMITMENT REDUCTION: The Company will have the right, upon at least three business days' notice, to terminate or

cancel, in whole or in part, the unused portion of the Backstop Facility Amount in excess of the aggregate outstanding Competitive Bid Advances, provided that each partial reduction shall be in a minimum amount of \$10,000,000 or any whole multiple of \$1,000,000 in excess thereof. Once terminated, a commitment may not be reinstated.

FACILITY FEE:

At all times unless the Term Loan Conversion Option has been selected and is in effect, an amount which will vary as per attached Pricing Grid, based on the Company's long-term senior unsecured non-credit enhanced debt ratings, payable on each Lender's commitment, irrespective of usage, quarterly in arrears on the last day of each March, June, September and December, and on the Commitment Termination Date. The Facility Fee shall be calculated on the basis of actual number of days elapsed in a year of 365/366 days. No Facility Fee will be payable after the Term Loan Conversion Option has been selected and is in effect.

INTEREST RATES AND INTEREST PERIODS:

At the applicable Borrower's option, any Advance that is made to it will be available at the rates and for the Interest Periods stated below:

- a) Base Rate: a fluctuating rate equal to the Base Rate plus the Applicable Margin.

The Base Rate is a fluctuating rate per annum equal at all times to the highest of (i) Citibank's publicly announced "base" rate, (ii) 1/2 of 1% percent per annum above the latest three-week moving average of secondary market morning offering rates in the United States for three-month certificates of deposit of major U.S. money market banks, adjusted to the nearest 1/16 of 1%, and (iii) a rate equal to 1/2 of 1% per annum above the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers.

- b) Eurocurrency Rate: a periodic fixed rate equal to the Eurocurrency Rate plus the Applicable Margin.

The Eurocurrency Rate, which is a rate per annum equal to the London Interbank Offered Rate as determined by reference to Dow Jones Markets screen 3750 (or other applicable pages with respect to a Major Currency), or if not applicable the average rate per annum (rounded upward to the nearest 1/16 of 1%) at which deposits in the applicable Major Currency are offered by the Reference Banks to prime banks in the London interbank market at 11:00 A.M. (London time) two business days before the first day of the Interest Period and in amounts approximately equal to the Reference Banks' pro rata share of the contemplated Advance for a given Interest Period and with a maturity equal to such Interest Period, adjusted for reserve requirements and, in the case of particular Major Currencies, as appropriate for such currencies. The Eurocurrency Rate shall be fixed for Interest Periods of 1, 2, 3, 6 or 9 months if available to all Lenders.

APPLICABLE MARGIN:

The Applicable Margin means:

- (i) for Base Rate Advances, 0.00 basis points per annum;
- (ii) for Eurocurrency Rate Advances, (i) at all times unless the Term Loan Conversion Option has been selected and is in effect an amount which will vary as per the attached Pricing Grid, based on the Company's long-term senior unsecured non-credit enhanced debt ratings and, (ii) if the Term Loan Conversion Option has been selected and is in effect, an amount which will vary as per the attached Term-Out Option Pricing Grid.

Upon the occurrence and during the continuance of any monetary Event of Default, the Applicable Margin will increase by 100 basis points per annum, and if such Advance is a Eurocurrency Rate Advance, it will convert to a Base Rate Advance at the end of the Interest Period then in effect for such Eurocurrency Rate Advance.

REFERENCE BANKS: Citibank, BofA, BNP, Barclays, Deutsche and Morgan.

INTEREST PAYMENTS: At the end of each Interest Period for each Advance, but no less frequently than quarterly. Interest will be computed on a 365/366-day basis for Base Rate Advances and a 360-day basis for Eurocurrency Rate Advances.

UTILIZATION FEE: As per the attached Pricing Grid, based on the Company's long-term senior unsecured non-credit-enhanced debt ratings. The Utilization Fee will be added to the Applicable Margin for any date where outstanding Advances exceed 33 1/3% and 66 2/3% of commitments. The Utilization Fee will be calculated on a 360-day basis and will be payable on the same basis as interest.

BORROWINGS: Borrowings shall be in minimum principal amounts of \$10,000,000 and integral multiples of \$1,000,000 in excess thereof. All Advances (other than Competitive Bid Advances) shall be made by the Lenders ratably in proportion to their respective Commitments. Other than Competitive Bid Advances, borrowings will be available on same day notice for Base Rate Advances and 3 business days notice for Eurocurrency Rate Advances.

AVAILABILITY: From the Closing Date and prior to the Commitment Termination Date, the Borrowers may, subject to the terms of the Backstop Facility, borrow, repay and reborrow.

COMPETITIVE BID OPTION: The Borrowers may request the Agent to solicit competitive bids from the Lenders (individually a "Bidder" and collectively the "Bidders") for Advances in U.S. Dollars or Foreign Currencies (meaning any currency other than U.S. Dollars which is freely transferable and convertible into U.S. Dollars), for requested maturities of 5 days or more. Each Bidder will bid at its discretion. Each Borrower's notice requesting such bids will be given to the Agent at least 1 business day prior to the proposed Advance date for fixed rate U.S. Dollar based bids, at least 4 business days prior to the proposed Advance date for Eurocurrency Rate U.S. Dollar based bids, at least 3 business days prior to the proposed Advance date for fixed or local rate based bids in Foreign Currencies and at least 5 business days prior to the proposed Advance date for Eurocurrency Rate based bids in Foreign Currencies, and will specify the proposed date of Advance, amount, currency and maturity date of the proposed Advance, interest payment schedule, the interest rate basis to be used by the Bidders in bidding, the location of such Borrower's account to which funds are to be advanced, and such other terms as such Borrower may specify. The Agent will advise the Bidders of the terms of the applicable Borrower's notice, and such Bidders as elect may submit bids, which the Agent shall provide to such Borrower.

The Borrower giving the notice may accept one or more bids, provided that the aggregate outstanding Advances of all Lenders on the date of, and after giving effect to, any Competitive Bid Advance shall not exceed the aggregate Commitments at such time. Bids will be accepted in order of the lowest to the highest rates ("Bid Rates"). The Borrowers may not accept bids in excess of the requested bid amount for any maturity. If two or more Bidders bid at the same Bid Rate, the amount to be borrowed at such Bid Rate will be allocated among such Bidders in proportion to the amount which each Bidder bid at such Bid Rate.

Each Borrowing under the Competitive Bid Option

shall be in an amount of not less than \$10,000,000 and integral multiples of \$1,000,000 in excess thereof. While any such Borrowing is outstanding, it will be deemed usage of the Backstop Facility for the purposes of availability and the Commitment of each Lender (whether or not a Bidder) shall be reduced and deemed used for all purposes by its pro rata share (based on its respective Commitment) of an amount equal to the outstanding amount of such Borrowing. However, each Lender's Advance made under the Competitive Bid Option shall not reduce such Lender's obligation to lend its pro rata share of the remaining undrawn Commitment.

COMPETITIVE BID  
ADMINISTRATIVE FEE:

As agreed between Citibank and the Company.

ANNUAL AGENCY FEE:

As agreed between Citibank and the Company.

REPAYMENT:

The Borrowers will repay (i) each Advance (other than a Competitive Bid Advance) no later than on the Commitment Termination Date, subject to the Term Loan Conversion Option and (ii) each Competitive Bid Advance at the maturity date specified in the applicable Borrower's notice requesting such Competitive Bid Advance.

OPTIONAL

PREPAYMENT:

Advances (other than Competitive Bid Advances) may be prepaid without penalty, with notice not later than 11:00 A.M. for Base Rate Advances, and with two business days notice for Eurocurrency Rate Advances, in minimum amounts of \$10,000,000 and increments of \$1,000,000 in excess thereof. The Borrowers will bear all costs related to the prepayment of a Eurocurrency Rate Advance prior to the last day of its Interest Period. Competitive Bid Advances may not be prepaid unless the invitation for Competitive Bid Advances specifies the right to prepay, and in such case the Borrowers will reimburse the Lender(s) for any funding losses.

MANDATORY PREPAYMENT  
AND COMMITMENT

TERMINATION:

The Commitments shall be terminated and the Borrowers shall repay all outstanding Advances on the closing date of the \$7,000,000,000 364-Day Credit Facility.

LOAN

DOCUMENTATION:

The commitments will be subject to preparation, execution and delivery of mutually acceptable loan documentation which will contain conditions precedent, representations and warranties, covenants, events of default and other provisions customary for facilities of this nature, including, but not limited to, those noted below. Except as otherwise specifically stated in this term sheet, terms and conditions set forth in documentation for the Backstop Facility shall be substantially the same as such terms and conditions set forth in the Company's existing \$750 million five-year credit facility.

DOLLAR EQUIVALENT  
VALUE LIMITATION

FOR ALL ADVANCES:

If at any time the dollar equivalent value of all Advances exceeds 103% of the Facility Amount, the Borrowers shall promptly make a mandatory prepayment to reduce the dollar equivalent value of all Advances to 100% of the Facility Amount.

DOLLAR EQUIVALENT  
VALUE LIMITATION FOR

ADVANCES IN MAJOR

CURRENCIES:

If at any time the dollar equivalent value of all Advances in Major and Alternate Currencies exceeds 110% of \$200,000,000 (the "Major Currency Sublimit"), the Borrowers shall make a mandatory prepayment at the end of the respective Interest Periods for such Advances to reduce the dollar equivalent value of all Advances in Major Currencies to 100% of the Major Currency Sublimit.

CONDITIONS  
PRECEDENT TO



- CLOSING: Customary for facilities of this nature, including, but not limited to:
- (1) The Notes, if requested.
  - (2) Board resolutions.
  - (3) Incumbency certificate.
  - (4) Favorable legal opinion from counsel for the Company.
  - (5) Favorable legal opinion from counsel for the Agent.
  - (6) Accuracy of representations and warranties.

CONDITIONS  
PRECEDENT TO ALL  
ADVANCES:

- Customary for facilities of this nature, including, but not limited to:
- (1) All representations and warranties are true and correct in all material respects on and as of the date of the Borrowing, before and after giving effect to such Borrowing and to the application of the proceeds therefrom, as though made on and as of such date; provided that the representation as to no material adverse change shall be made only at Closing and Renewal of Commitments.
  - (2) No Event of Default or event which, with the giving of notice or passage of time or both, would be an Event of Default, has occurred and is continuing, or would result from such Borrowing.

CONDITIONS PRECEDENT TO  
INITIAL ADVANCE TO EACH  
BORROWER THAT IS A  
DESIGNATED SUBSIDIARY:

- Customary for facilities of this nature, including, but not limited to:
- (1) Such Borrower's Note if requested;
  - (2) Representations by the Company that such Borrower has received all governmental authorizations, consents, approvals and licenses under applicable laws and regulations for such Borrower to execute and deliver the Credit Agreement and to perform its obligations thereunder;
  - (3) Board resolutions of such Borrower;
  - (4) Incumbency Certificate of such Borrower;
  - (5) Designation Letter;
  - (6) Accuracy of representations and warranties of such Borrower;
  - (7) Favorable legal opinion from counsel for such Borrower.

ADDITIONAL CONDITION  
PRECEDENT TO COMPETITIVE  
BID ADVANCES:

The information provided by the applicable Borrower does not contain an untrue statement or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances under which they are made, not misleading.

REPRESENTATIONS  
AND WARRANTIES:

- Customary for facilities of this nature, including, but not limited to:
- (1) Confirmation of corporate status and authority;
  - (2) Execution, delivery, and performance of loan documents do not violate law or existing agreements;
  - (3) No government or regulatory approvals required;

- (4) No litigation currently or threatened which is likely to be determined adversely so as to affect materially the ability of the Company to pay its debts, including the Advances, or which would affect the legality, validity and enforceability of the loan documents;
- (5) No material adverse change in financial condition or results of operations or prospects since December 31, 1997 for the Company and its Consolidated Subsidiaries taken as a whole;
- (6) Accuracy of information, financial statements;
- (7) Material compliance with laws and regulations, including ERISA and all applicable environmental laws and regulations;
- (8) Legality, validity, binding effect and enforceability of the loan documents;
- (9) Not an investment company or public utility holding company.

FINANCIAL  
COVENANTS:

- (1) Minimum Net Worth greater than or equal to \$3,100,000,000;
- (2) Limitation on Domestic Subsidiary Indebtedness.

COVENANTS:

Customary for facilities of this nature, including, but not limited to:

- (1) Preservation of corporate existence;
- (2) Material compliance with laws (including ERISA and applicable environmental laws);
- (3) Payment of taxes;
- (4) Payment of material obligations;
- (5) Visitation rights;
- (6) Maintenance of books and records;
- (7) Maintenance of properties;
- (8) Maintenance of insurance;
- (9) Negative pledge and limitations on liens and secured debt with certain exceptions essentially in conformity to Section 1005 of the 1985 Indenture (which will not be incorporated by reference, but will be directly inserted);
- (10) Certain restrictions on change of business, consolidations, mergers, sale of assets;
- (11) Certain reporting requirements, including financial and ERISA;
- (12) Use of proceeds;
- (13) Change of control.

EVENTS OF DEFAULT:

Customary for facilities of this nature, including, but not limited to:

- (1) Failure to pay principal when due and interest, Facility Fee and Utilization Fee within three business days of when due;
- (2) Representations or warranties materially incorrect;
- (3) Failure to comply with covenants (with notice and cure periods as applicable);
- (4) Cross-default to payment defaults on principal aggregating \$100,000,000, excluding defaults on indebtedness to any institution

to the extent the Company or a Subsidiary has deposits with such institution sufficient to repay such indebtedness, or to default or event if the effect is to accelerate or permit acceleration of any such debt. This cross default provision shall not apply to debt of any subsidiary or affiliate of the Company located in China, India, Commonwealth of Independent States or Turkey provided that such debt is not guaranteed or supported in any legally enforceable manner by any Borrower or by any subsidiary or affiliate of the Company located outside of these countries, and such default is due to the direct or indirect action of any government entity or agency of these countries and provided further each subsidiary to which this exception applies shall not have assets of more than \$80 million individually nor collectively \$300 million measured as of the most recent calendar quarter end;

- (5) Unsatisfied judgment or order in excess of \$100,000,000 individually or in the aggregate. A carve-out will be provided similar to that contained in the second sentence of item (4) immediately above;
- (6) Bankruptcy/insolvency;
- (7) ERISA Event and aggregate Plan Insufficiencies exceed \$100,000,000, or Plan reorganization or termination resulting in an increase in annual contributions exceeding \$100,000,000.

ECONOMIC MONETARY  
UNION:

Appropriate language will be incorporated into the Backstop Facility to address certain issues that will be raised by the introduction of the Euro on January 1, 1999 and the removal from circulation of the various national currency denominations on and after January 1, 2002.

OTHER:

Loan documentation will include:

- (1) Indemnification of Agent and Lenders and their respective affiliates, officers, directors, employees, agents and advisors for any liabilities and expenses arising out of the Backstop Facility or the use of proceeds.
- (2) Normal agency language.
- (3) Majority Lenders defined as those holding 51% of outstanding Advances (excluding Competitive Bid Advances) or, if none, Commitments. The consent of all the Lenders will be required to increase the size of the Backstop Facility, to extend the maturity or to decrease interest rates or fees.
- (4) The Company will have the right to replace any Lender through assignment or the addition of a new Lender provided that no Event of Default has occurred and is continuing and no more than 3 Lenders in any calendar year may be replaced.

ASSIGNMENTS AND  
PARTICIPATIONS:

Each Lender will have the right to assign to one or more Eligible Assignees all or a portion of its rights and obligations under the loan documents with the consent of the Company (not to be unreasonably withheld). Minimum aggregate assignment level of \$10,000,000 and increments of \$1,000,000 in excess thereof. The parties to the assignment (other than the Company) shall pay to the Agent an administrative fee of \$3,500 per assignment.

Each Lender will also have the right, without the consent of the Company or the Agent, to assign (i) as security, all or part of its rights under the loan documents to any Federal Reserve Bank and (ii) with notice to the Company and the Agent, all or part of its rights or obligations under the loan documents to any of its affiliates.

Each Lender will have the right to sell participations in its rights and obligations under the loan documents, subject to customary restrictions on the participants' voting rights. Each Lender selling a participation shall notify the Company within 30 days of such sale.

YIELD PROTECTION,  
TAXES, AND  
OTHER DEDUCTIONS:

- (1) The loan documents will contain yield protection provisions, customary for facilities of this nature, protecting the Lenders in the event of unavailability of funding, funding losses, reserve and capital adequacy requirements.
- (2) All payments to be free and clear of any present or future taxes, withholdings or other deductions whatsoever (other than income taxes in the jurisdiction of the Lender's applicable lending office).

The Company will have the right to replace any Lender which requests reimbursements for amounts owing under (1) and (2) above provided that (i) no Event of Default, or event which with the giving of notice or lapse of time or both would be an Event of Default, has occurred and is continuing, (ii) the Company has satisfied all of its obligations under the Facility relating to such Lender, and (iii) any replacement is acceptable to the Agent and the Company will have paid the Agent a \$3,500 administrative fee if such replacement Lender is not an existing Lender.

GOVERNING LAW: State of New York.

COUNSEL TO  
THE AGENT: Shearman & Sterling

EXPENSES: The Company shall reimburse each Arranger and Citibank for all agreed out-of-pocket expenses incurred by them in the negotiation, syndication and execution of the Facility. Such expenses shall be reimbursed by the Company upon presentation of a statement of account, regardless of whether the transaction contemplated is actually completed or the loan documents are signed.

ALLIEDSIGNAL INC.

\$900,000,000 364-DAY REVOLVING CREDIT FACILITY  
PRICING GRID

	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	LEVEL 5	LEVEL 6
BASIS FOR PRICING	LT Senior Unsecured Debt Rated At Least A By Standard & Poor's Or A2 By Moody's.	LT Senior Unsecured Debt Rated Less Than Level 1 But At Least A- By Standard & Poor's Or A3 By Moody's.	LT Senior Unsecured Debt Rated Less Than Level 2 But At Least BBB+ By Standard & Poor's Or BAA1 By Moody's.	LT Senior Unsecured Debt Rated Less Than Level 3 But At Least BBB By Standard & Poor's Or BAA2 By Moody's.	LT Senior Unsecured Debt Rated Less Than Level 4 But At Least BBB- By Standard & Poor's Or BAA3 By Moody's.	LT Senior Unsecured Debt Rated Less Than Level 5.
FACILITY FEE (FN1)	5.5 bps	7.0 bps	8.5 bps	9.5 bps	12.0 bps	20.0 bps
APPLICABLE MARGIN	17.0 bps	20.5 bps	26.5 bps	30.5 bps	40.5 bps	50.0 bps
DRAWN COST (FN2)	LIBOR+22.5 bps	LIBOR+27.5 bps	LIBOR+35.0 bps	LIBOR+40.0 bps	LIBOR+52.5 bps	LIBOR+70.0 bps
UTILIZATION FEE (USAGE (greater than or equal to) 33 1/3 AND (less than) 66 2/3%)	0.0 bps	2.5 bps	2.5 bps	5.0 bps	5.0 bps	5.0 bps
UTILIZATION FEE (USAGE (greater than or equal to) 66 2/3%)	2.5 bps	5.0 bps	5.0 bps	10.0 bps	10.0 bps	17.5 bps
FULLY DRAWN COST (FN3)	LIBOR+25.0 bps	LIBOR+32.5 bps	LIBOR+40.0 bps	LIBOR+50.0 bps	LIBOR+62.5 bps	LIBOR+87.5 bps

(1) Paid quarterly in arrears on each bank's commitment irrespective of usage.

(2) Facility Fee plus Applicable Margin.

(3) Drawn Cost plus Utilization Fee.

bps = basis points per annum

ALLIEDSIGNAL INC.

\$900,000,000 ONE YEAR TERM-OUT OPTION  
PRICING GRID

	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	LEVEL 5	LEVEL 6
BASIS FOR PRICING	LT Senior Unsecured Debt Rated At Least A By Standard	LT Senior Unsecured Debt Rated Less Than Level 1 But At	LT Senior Unsecured Debt Rated Less Than Level 2	LT Senior Unsecured Debt Rated Less Than Level 3	LT Senior Unsecured Debt Rated Less Than Level 4 But At	LT Senior Unsecured Debt Rated Less Than Level 5.

& Poor's Or A2 By Moody's.	Least A- By Standard & Poor's Or A3 By Moody's.	But At Least BBE+ By Standard & Poor's Or BAA1 By Moody's.	But At Least BBB By Standard & Poor's Or BAA2 By Moody's.	Least BBB-By Standard & Poor's Or BAA3 By Moody's.
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APPLICABLE MARGIN	22.5 bps	27.5 bps	35.0 bps	40.0 bps	52.5 bps	70.0 bps
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UTILIZATION FEE (USAGE (greater than or equal to) 33 1/3% AND (less than) 66 2/3%)	0.0 bps	2.5 bps	2.5 bps	5.0 bps	5.0 bps	5.0 bps
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UTILIZATION FEE (USAGE (greater than or equal to) 66 2/3%)	2.5 bps	5.0 bps	5.0 bps	10.0 bps	10.0 bps	17.5 bps
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FULLY DRAWN COST (FN1)	LIBOR+25.0 bps	LIBOR+32.5 bps	LIBOR+40.0 bps	LIBOR+50.0 bps	LIBOR+62.5 bps	LIBOR+87.5 bps
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(1) Applicable Margin plus Utilization Fee.  
bps = basis points per annum