

REGISTRATION NO. 33-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

SNAP-ON INCORPORATED
(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

39-0622040
(I.R.S. Employer
Identification No.)

2801-80TH STREET
KENOSHA, WISCONSIN 53141-1410
(414) 656-5200
(Address, including zip code, and telephone number, including
area code, of registrant's principal executive offices)

SUSAN F. MARRINAN
VICE PRESIDENT, SECRETARY AND GENERAL COUNSEL
SNAP-ON INCORPORATED
2801-80TH STREET
KENOSHA, WISCONSIN 53141-1410
(414) 656-5200
(Name, address, including zip code, and telephone number, including area code,
of agent for service)

COPY TO:

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APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: FROM TIME TO
TIME AFTER THE EFFECTIVE DATE OF THIS REGISTRATION STATEMENT AS DETERMINED IN
LIGHT OF MARKET CONDITIONS.

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

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

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED (1)	PROPOSED MAXIMUM OFFERING PRICE PER UNIT (1)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE (2)	AMOUNT OF REGISTRATION FEE
Debt Securities.....				
Warrants to Purchase Debt Securities (3).....	\$300,000,000		\$300,000,000	\$103,448.10
Preferred Stock, par value \$1.00 per share (4).....				
Warrants to Purchase Preferred Stock.....				
Currency Warrants.....				

- <FN>
- (1) Not applicable pursuant to General Instruction II.D to Form S-3; however, in no event will the aggregate maximum offering price of all securities issued and sold pursuant to this Registration Statement exceed \$300,000,000 in U.S. dollars or the equivalent thereof in foreign currency or currency units. Any securities registered hereunder may be sold separately or as units with other securities registered hereunder.
 - (2) Estimated solely for the purpose of calculating the registration fee.
 - (3) Warrants for the purchase of Debt Securities may be offered and sold separately or together with other Debt Securities.
 - (4) Such indeterminate number of shares of Preferred Stock as may from time to time be issued at indeterminate prices.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933, AS AMENDED, OR UNTIL THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

SUBJECT TO COMPLETION
PRELIMINARY PROSPECTUS, DATED SEPTEMBER 23, 1994
PROSPECTUS

SNAP-ON INCORPORATED

DEBT SECURITIES, DEBT WARRANTS, PREFERRED STOCK, PREFERRED WARRANTS AND CURRENCY
WARRANTS

Snap-on Incorporated (the "Company" or "Snap-on") may offer from time to time under this Prospectus, together or separately, (i) unsecured debt

securities consisting of notes, debentures and/or other unsecured evidences of indebtedness (the "Debt Securities"), (ii) warrants to purchase Debt Securities (the "Debt Warrants"), (iii) shares of its preferred stock, par value \$1.00 per share (the "Preferred Stock"), (iv) warrants to purchase shares of its Preferred Stock (the "Preferred Warrants"), and (v) warrants to receive from the Company the cash value in U.S. dollars of the right to purchase ("Currency Call Warrants") or to sell ("Currency Put Warrants," and, together with the Currency Call Warrants, the "Currency Warrants") such foreign currency or currency units as shall be designated by the Company at the time of the offering. The Debt Securities, Debt Warrants, Preferred Stock, Preferred Warrants and Currency Warrants (collectively, the "Securities") will be offered in amounts, at prices and on terms to be determined at the time of offering. The Securities offered pursuant to this Prospectus may be issued in one or more series or issuances and will be limited to an aggregate public offering price of not more than U.S. \$300,000,000 (or the equivalent thereof if any of the Securities are denominated in a currency, currency unit or composite currency other than the U.S. dollar).

The Debt Securities will be direct unsecured obligations of the Company and will rank equally with all other unsecured and unsubordinated indebtedness of the Company.

Certain specific terms of the particular Securities in respect of which this Prospectus is being delivered (the "Offered Securities") are set forth in the accompanying Prospectus Supplement (the "Prospectus Supplement"), including, where applicable, the initial public offering price of the Securities, the listing on any securities exchange, other special terms, and (i) in the case of Debt Securities, the specific designation, aggregate principal amount, the denomination, maturity, premium, if any, the rate (which may be fixed or variable), time and method of calculating payment of interest, if any, the place or places where principal of, premium, if any, and interest, if any, on such Debt Securities will be payable, the currency in which principal of, premium, if any, and interest, if any, on such Debt Securities will be payable, any terms of redemption at the option of the Company or the holder and any sinking fund provisions, (ii) in the case of Debt Warrants and Preferred Warrants, the Debt Securities and Preferred Stock, respectively, for which each such warrant is exercisable, the exercise price, duration, detachability and call provisions, (iii) in the case of Preferred Stock, the specific title and stated value, any dividend, liquidation, redemption, voting and other rights, and (iv) in the case of Currency Warrants, the base foreign currency or currency units, the formula for determining the cash settlement value, if any, the procedures and conditions relating to exercise and any circumstances under which there will be deemed to be an automatic exercise. If so specified in the applicable Prospectus Supplement, Offered Securities may be issued in whole or in part in the form of one or more temporary or permanent global securities.

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

The Company may sell Securities to or through underwriters, dealers or agents, and also may sell Securities directly to other purchasers. See "Plan of Distribution." The Prospectus Supplement sets forth the names of any underwriters, dealers or agents involved in the distribution of the Offered Securities and any applicable discounts, commissions or allowances.

This Prospectus may not be used to consummate sales of Securities unless accompanied by a Prospectus Supplement.

THE DATE OF THIS PROSPECTUS IS SEPTEMBER , 1994.

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities

Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Reports, proxy statements and other information filed by the Company may be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, and at the following Regional Offices of the Commission: 7 World Trade Center, New York, New York 10048; and 500 West Madison Street, Chicago, Illinois 60661; and copies of such material can be obtained by mail from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. Such reports, proxy statements and other information can also be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

This Prospectus constitutes a part of a registration statement on Form S-3 (the "Registration Statement") filed by the Company with the Commission under the Securities Act of 1933, as amended (the "Securities Act"). This Prospectus does not contain all the information set forth in the Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the Commission, and reference is hereby made to the Registration Statement and to the exhibits relating thereto for further information with respect to the Company and the Securities. Any statements contained herein concerning the provisions of any document are not necessarily complete, and, in each instance, reference is made to the copy of such document filed as an exhibit to the Registration Statement or otherwise filed with the Commission. Each such statement is qualified in its entirety by such reference.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents filed by the Company with the Commission are incorporated in this Prospectus by reference:

(i) the Company's Annual Report on Form 10-K for the fiscal year ended January 1, 1994;

(ii) the Company's Quarterly Reports on Form 10-Q for the fiscal quarters ended April 2, 1994 and July 2, 1994; and

(iii) the Company's Current Reports on Form 8-K dated January 28, 1994 and April 22, 1994.

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

The Company will provide without charge, upon written or oral request, to each person to whom a copy of this Prospectus is delivered a copy of any or all of the documents incorporated by reference herein (not including the exhibits to such documents, unless such exhibits are specifically incorporated by reference in such documents). Requests should be directed to Snap-on Incorporated, Public Relations Department, 2801-80th Street, Kenosha, Wisconsin 53141-1410, telephone number (414) 656-4808 (recorded message).

THE COMPANY

The Company was incorporated under the laws of the State of Wisconsin in 1920 and reincorporated under the laws of the State of Delaware in 1930. In April 1994, the Company changed its name from "Snap-on Tools Corporation" to

"Snap-on Incorporated." The Company's principal executive offices are located at 2801-80th Street, Kenosha, Wisconsin 53141-1410 (telephone number (414) 656-5200).

The Company is a leading manufacturer and distributor of high-quality hand tools, power tools, tool storage products, and diagnostic and shop equipment, primarily for use by professional mechanics and technicians. The Company's product line consists of approximately 14,000 items. In addition to individual automotive service technicians, shop owners and other professional tools users, the Company's products are marketed to industrial and government entities.

The Company has operations in the United States, Australia, Belgium, Brazil, Canada, France, Germany, Japan, Mexico, Puerto Rico, the Netherlands, New Zealand, Taiwan and the United Kingdom. The Company's products are marketed in over 100 countries. The Company has four principal operating units:

- The SNAP-ON TOOLS business unit focuses on the Company's worldwide dealer direct sales programs to automotive and transportation technicians.
- The SNAP-ON DIAGNOSTICS business unit focuses on the development and sale of diagnostic and shop equipment, primarily to automotive shop owners. Subsidiaries associated with Snap-on Diagnostics include: Sun Electric Corporation ("Sun"), a leading manufacturer and distributor of high-end diagnostic, test and service shop equipment; and Balco, Inc., a developer of engine diagnostic and wheel balancing equipment.
- The SNAP-ON INDUSTRIAL business unit focuses on the sale of industrial tools and equipment through a direct sales force as well as through industrial distributors and other channels. Subsidiaries in this unit manufacture industrial-quality hand tools, and tools and equipment for aerospace and other industrial applications.
- SNAP-ON FINANCIAL SERVICES, INC. holds most of the Company's credit assets in the United States and, through its Snap-on Credit Corporation subsidiary, manages certain credit services for the Company. Credit programs support the sale of the Company's products and services, especially higher-value products such as diagnostic and other shop equipment.

The Company believes it is the largest single-source manufacturer of professional hand tools and service equipment for the U.S. automotive service industry. In 1993, the Company merged its U.S. Snap-on and Sun technical sales forces into Snap-on/Sun Tech Systems, creating what it also believes to be the largest technical systems sales and service organization in the industry. In addition, within its diagnostic and shop equipment operations, the Company has formed agreements, including minority investments, with information and technology firms to strengthen its position as a leading supplier of diagnostic hardware and software for the service and repair of the growing number of computerized systems employed in modern automotive design.

The Company believes it originated the mobile van dealer method of marketing hand tools and equipment to automotive technicians. In addition to direct sales to individual technicians, shop owners, industrial and other customers at their places of business through mobile van dealers and employee sales representatives, other methods of marketing and distribution include both direct and indirect sales to industrial and government customers and indirect sales through non-U.S. distributors. Prior to 1993 when the Company entered the industrial distributor marketing channel, which represents the largest segment of the industrial tool market, the Company's industrial sales historically had been concentrated among small and mid-sized manufacturing facilities, industrial maintenance and repair shops, and government service and repair operations.

In recent years, the Company has expanded its product line and marketing and sales programs to address additional customer needs in the market for professional tools and equipment and to expand in international markets. Included in the Company's expanded product line are automotive shop equipment,

electronic equipment service, and tools and instrumentation for aerospace and medical applications. It has also acquired new manufacturing operations and brands to address additional channels of distribution, particularly for industrial customers.

USE OF PROCEEDS

The net proceeds from the sale of the Securities offered hereby will be used for general corporate purposes and may be used for the repayment of indebtedness, future acquisitions, capital expenditures and working capital. Specific allocations of the proceeds for the various purposes have not been made at this time, and the amount and timing of such offerings will depend upon the Company's requirements and the availability of other funds. The specific use of the proceeds of a particular offering of Securities will be described in the Prospectus Supplement relating thereto.

RISK FACTORS RELATING TO CURRENCIES AND CURRENCY WARRANTS

Debt Securities and Debt Warrants denominated or payable in foreign currencies and Currency Warrants may entail significant risks. These risks include, without limitation, the possibility of significant fluctuations in foreign currency exchange rates. These risks may vary depending upon the currency or currencies involved, and in the case of any Currency Warrants, the particular form of such Currency Warrants, and will be more fully described in the applicable Prospectus Supplement.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth the ratio of earnings to fixed charges for the Company for the periods indicated. The ratio of earnings to fixed charges is computed by dividing earnings by fixed charges. For the purposes of such computation (i) earnings consist of earnings from continuing operations before income taxes and the cumulative effect of accounting changes, plus fixed charges; and (ii) fixed charges consist of interest, including amounts capitalized, amortization of debt discount, premium and expense and other interest charges.

	SIX MONTHS ENDED		FISCAL YEAR ENDED				
	JULY 2, 1994	JULY 3, 1993	1993	1992	1991	1990	1989
Ratio of Earnings to Fixed Charges*.....	14.5	13.6	14.1	20.4	24.1	23.7	44.2

*The ratio of earnings to combined fixed charges and preferred stock dividends is the same as that shown above for each of the years indicated, since the Company had no preferred stock outstanding in any of those years.

DESCRIPTION OF DEBT SECURITIES

The Debt Securities are to be issued under an indenture, as supplemented from time to time (the "Indenture"), between the Company and Firststar Trust Company, as trustee (the "Trustee"), the form of which is filed as an exhibit to the Registration Statement. The Indenture is subject to and governed by the Trust Indenture Act of 1939, as amended (the "TIA"). The following summaries of certain provisions of the Debt Securities and the Indenture do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the Indenture, including the definitions of certain terms therein. Parenthetical references below are to the Indenture.

GENERAL

The Debt Securities will be direct, unsecured obligations of the Company and will rank equally with all other unsecured and unsubordinated indebtedness of the Company.

The Debt Securities may be issued in one or more series. The particular terms of any Debt Securities offered (the "Offered Debt Securities") (including any Debt Securities (the "Underlying Debt Securities") issuable upon the exercise of Debt Warrants), as well as any modifications of or additions to the general terms of Debt Securities as described herein that may be applicable in the case of the Offered Debt Securities, are described in the Prospectus Supplement relating to the Offered Debt Securities. Accordingly, for a description of the terms of the Offered Debt Securities, reference must be made to both the Prospectus Supplement relating thereto and the description of Debt Securities set forth in this Prospectus.

Reference is made to the Prospectus Supplement for the following terms of the Offered Debt Securities (including any Underlying Debt Securities) being offered thereby:

(1) The title of such Debt Securities.

(2) The aggregate principal amount of such Debt Securities and any limit on the aggregate principal amount of Debt Securities of such series.

(3) The percentage of the principal amount at which such Debt Securities will be issued and, if other than the principal amount thereof, the portion of the principal amount thereof payable upon declaration of acceleration of the maturity thereof or the method by which such portion shall be determined.

(4) The date or dates, or the method by which such date or dates will be determined or extended, on which the principal of such Debt Securities will be payable.

(5) The rate or rates at which such Debt Securities will bear interest, if any, or the method by which such rate or rates shall be determined, the date or dates from which such interest, if any, shall accrue or the method by which such date or dates shall be determined, the date or dates on which such interest, if any, will be payable and the Regular Record Date or Dates, if any, for the interest payable on any Registered Security on any Interest Payment Date, or the method by which any such date shall be determined, and the basis upon which interest shall be calculated if other than that of a 360-day year of twelve 30-day months.

(6) The period or periods within which, the price or prices at which, the currency, currency unit or composite currency ("Currency" or "Currencies") in which (if other than U.S. dollars), and the other terms and conditions upon which, such Debt Securities may be redeemed in whole or in part at the option of the Company and whether the Company is to have that option.

(7) The obligation, if any, of the Company to redeem, repay or purchase such Debt Securities pursuant to any sinking fund or analogous provision or at the option of a holder thereof and the period or periods within which or the date or dates on which, the price or prices at which, the Currency or Currencies in which and the other terms and conditions upon which, such Debt Securities shall be redeemed, repaid or purchased, in whole or in part, pursuant to such obligation.

(8) Whether such Debt Securities are to be issuable as Registered Securities, Bearer Securities or both, any restrictions applicable to the offer, sale or delivery of Bearer Securities and the terms upon which Bearer Securities of the series may be exchanged for Registered Securities of the series and VICE VERSA (if permitted by applicable laws and regulations), whether such Debt Securities are to be issuable initially in temporary global form (a "Global Security"), whether any such Debt Securities are to

be issuable in permanent global form with or without coupons and, if so, whether beneficial owners of interests in any such permanent Global Security may exchange such interests for Debt Securities of such series and of like tenor of any authorized form and denomination and the circumstances under which any such exchanges may occur, if other than in the manner provided in the Indenture, and, if Registered Securities of the series are to be issuable as a Global Security, the identity of the depository for such series.

(9) If other than U.S. dollars, the Currency or Currencies (which may include composite currencies such as the European Currency Unit ("ECU")) in which payments of the principal of (and premium, if any) or any interest or Additional Amounts, if any, on such Debt Securities will be payable or in which such Debt Securities will be denominated.

(10) Whether the amount of payments of principal of (and premium, if any) or interest, if any, on such Debt Securities may be determined with reference to an index, formula or other method (which index, formula or method may be based on one or more Currencies, commodities, equity indices or other indices) and the manner in which such amounts shall be determined.

(11) Whether the Company or a holder may elect payment of the principal of (and premium, if any) or interest, if any, on such Debt Securities in one or more Currencies, other than that in which such Debt Securities are denominated or stated to be payable, the period or periods within which, and the terms and conditions upon which, such election may be made, and the time and manner of determining the exchange rate between the Currency or Currencies in which such Debt Securities are denominated or stated to be payable and the Currency or Currencies in which such Debt Securities are to be so payable.

(12) The place or places, if any, other than or in addition to New York, New York, where the principal of (and premium, if any), interest, if any, on, and any Additional Amounts payable in respect of, such Debt Securities shall be payable, any Registered Securities may be surrendered for registration of transfer or exchange and notices or demands to or upon the Company in respect of such Debt Securities and the Indenture may be served.

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

(14) If other than the Trustee, the identity of each Security Registrar and/or Paying Agent.

(15) The date as of which any Bearer Securities of the series and any temporary Global Security representing Outstanding Securities of the series shall be dated if other than the date of original issuance of the first Debt Security of the series to be issued.

(16) The applicability, if at all, to such Debt Securities of the provisions of Article XIV of the Indenture described under "Defeasance and Covenant Defeasance" and any provisions in modification of, in addition to or in lieu of any of the provisions of such Article.

(17) The Person to whom any interest on any Registered Security of the series shall be payable, if other than the Person in whose name such Registered Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, the manner in which, or the Person to whom, any interest on any Bearer Security of the

series shall be payable, if otherwise than upon presentation and surrender of the coupons appertaining thereto as they severally mature, and the extent

to which, or the manner in which, any interest payable on a temporary Global Security on an Interest Payment Date will be paid if other than in the manner provided in the Indenture.

(18) If the Debt Securities of such series are to be issuable in definitive form (whether upon original issue or upon exchange of a temporary Debt Security of such series) only upon receipt of certain certificates or other documents or satisfaction of other conditions, the form and/or terms of such certificates, documents or conditions.

(19) If such Debt Securities are to be issued upon the exercise of Debt Warrants, the time, manner and place for such Debt Securities to be authenticated and delivered.

(20) Whether and under what circumstances the Company will pay Additional Amounts as contemplated by Section 10.9 of the Indenture on such Debt Securities to any holder who is not a United States person (including any modification to the definition of such term as contained in the Indenture as originally executed) in respect of any tax, assessment or governmental charge and, if so, whether the Company will have the option to redeem such Debt Securities rather than pay such Additional Amounts (and the terms of any such option).

(21) The provisions, if any, granting special rights to the holders of such Debt Securities upon the occurrence of such events as may be specified.

(22) Any deletions from, modifications of or additions to the Events of Default or covenants of the Company with respect to such Debt Securities, whether or not such Events of Default or covenants are consistent with the Events of Default or covenants set forth in the general provisions of the Indenture.

(23) The designation of the initial Exchange Rate Agent, if any.

(24) Any other terms of such Debt Securities.

The Indenture does not limit the amount of Debt Securities which can be issued thereunder, and provides that Debt Securities of any series may be issued thereunder up to the aggregate principal amount which may be authorized from time to time by or pursuant to authority granted by the Board of Directors of the Company (the "Board of Directors"). (Section 3.1)

Some or all of the Debt Securities may provide for less than the entire principal amount thereof to be payable upon declaration of acceleration of the Maturity thereof ("Original Issue Discount Securities"). Federal income tax consequences and other special considerations applicable to any such Original Issue Discount Securities will be described in the Prospectus Supplement relating thereto.

The general provisions of the Indenture do not contain any provisions that would limit the ability of the Company to incur indebtedness or that would afford holders of Debt Securities protection in the event of a highly leveraged or similar transaction involving the Company. However, subject to certain exceptions, the general provisions of the Indenture do limit the ability of the Company and its Restricted Subsidiaries to incur Secured Debt unless the Debt Securities issued under the Indenture are secured equally and ratably with such Secured Debt. See "Limitation on Secured Debt." Reference is made to the Prospectus Supplement related to the Offered Debt Securities for information applicable to such Debt Securities with respect to any deletions from, modifications of or additions to the Events of Default or covenants of the Company that are described below, including any addition of a covenant or other provision providing event risk or similar protection.

Under the Indenture, the Company will have the ability, in addition to the ability to issue Debt Securities with terms different from those of Debt Securities previously issued, without the consent of the holders, to reopen a previous issue of a series of Debt Securities and issue additional Debt Securities of such series (unless such reopening was restricted when such series

was created), in an aggregate principal amount determined by the Company. (Section 3.1)

DENOMINATIONS, REGISTRATION AND TRANSFER

Debt Securities of any series may be issuable solely as Registered Securities, solely as Bearer Securities or as both Registered Securities and Bearer Securities. Unless otherwise indicated in the Prospectus Supplement, Registered Securities will be issuable in denominations of \$1,000 and integral multiples thereof and any Bearer Securities will be issuable in the denomination of \$5,000 or, in each case, in such other denominations as may be specified in the terms of the Debt Securities of any particular series. The Indenture also provides that Debt Securities of a series may be issuable in global form. See "Book-Entry Debt Securities." Bearer Securities will be offered, sold and delivered only outside the United States to non-U.S. persons and to offices located outside the United States of certain U.S. financial institutions. For purposes of this Prospectus, "United States" means the United States of America, including the States and the District of Columbia, its territories, its possessions and all other areas subject to its jurisdiction. "U.S. person" means a citizen or resident of the United States, a corporation, partnership or other entity created or organized in or under the laws of the United States or a political subdivision thereof, or an estate or trust, income of which is includable in gross income for U.S. federal income tax purposes regardless of its source. Particular restrictions on the offer, sale and delivery of Bearer Securities and any special federal income tax considerations applicable to Bearer Securities will be described in the Prospectus Supplement relating thereto. Unless otherwise indicated in the Prospectus Supplement, Bearer Securities will have interest coupons attached. (Section 2.1)

Registered Securities of any series will be exchangeable for other Registered Securities of the same series and of a like aggregate principal amount, tenor and rank, and of different authorized denominations. Unless otherwise specified in the Prospectus Supplement, Bearer Securities will not be issued in exchange for Registered Securities. (Section 3.5) Bearer Securities may be exchanged for Registered Securities as specified in the applicable Prospectus Supplement.

Debt Securities may be presented for exchange as described above, and Registered Securities may be presented for registration of transfer (duly endorsed or accompanied by a written instrument of transfer), initially at the Corporate Trust Office of the Trustee or at the office of any transfer agent designated by the Company for such purpose with respect to any series of Debt Securities and referred to in the Prospectus Supplement. No service charge will be made for any transfer or exchange of Debt Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. (Section 3.5) If a Prospectus Supplement refers to any transfer agent (in addition to the Trustee) initially designated by the Company with respect to any series of Debt Securities, the Company may at any time rescind the designation of any such transfer agent or approve a change in the location through which any such transfer agent acts, except that, if Debt Securities of a series are issuable solely as Registered Securities, the Company will be required to maintain a transfer agent in each Place of Payment for such series and, if Debt Securities of a series are issuable solely as Bearer Securities or both as Registered Securities and as Bearer Securities, the Company will be required to maintain (in addition to the applicable Trustee) a transfer agent in a Place of Payment for such series located outside the United States. The Company may at any time designate additional transfer agents with respect to any series of Debt Securities. (Section 10.2)

In the event of any redemption, the Company shall not be required to (i) issue, register the transfer of or exchange Debt Securities of any series during a period beginning at the opening of business 15 days before any selection of Debt Securities of that series to be redeemed and ending at the close of business on (A) if Debt Securities of the series are issuable only as Registered Securities, the day of mailing of the relevant notice of redemption and (B) if Debt Securities of the series are issuable as Bearer Securities, the day of the

first publication of the relevant notice of redemption, or, if Debt Securities of the series are also issuable as Registered Securities and there is no publication, the day of mailing of the relevant notice of redemption; (ii) register the transfer of or exchange any Registered Security, or portion thereof, called for redemption, except the unredeemed portion of any Registered Security being redeemed in part; (iii) exchange any Bearer Security called for redemption, except to

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exchange such Bearer Security for a Registered Security of that series and like tenor which is simultaneously surrendered for redemption; or (iv) issue, register the transfer of or exchange any Debt Security which has been surrendered for repayment at the option of the holder, except the portion, if any, of such Debt Security not to be so repaid. (Section 3.5)

CERTAIN COVENANTS

LIMITATIONS ON DIVIDEND AND OTHER PAYMENT RESTRICTIONS AFFECTING RESTRICTED SUBSIDIARIES. The Indenture provides that the Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to (a) (i) pay dividends or make any other distributions on its Capital Stock or (ii) pay any Indebtedness owed to the Company or a Restricted Subsidiary, (b) make loans or advances to the Company or a Restricted Subsidiary or (c) transfer any of its properties or assets to the Company or a Restricted Subsidiary, except for such encumbrances or restrictions existing under or by reason of (i) any restrictions contained in Indebtedness with respect to the Company or its Restricted Subsidiaries in existence on the Issue Date; (ii) any restrictions, with respect to a Restricted Subsidiary that is not a Restricted Subsidiary on the date of the Indenture, under any agreement in existence at the time such Restricted Subsidiary becomes a Restricted Subsidiary (unless such agreement was entered into in connection with, or in contemplation of, such entity becoming a Restricted Subsidiary on or after the date of the Indenture); (iii) any restrictions under any agreement evidencing any Acquired Indebtedness of a Restricted Subsidiary; provided that such restrictions shall not restrict or encumber any assets of the Company or its Restricted Subsidiaries other than such Restricted Subsidiary; (iv) restrictions existing under any agreement that refinances or replaces the agreements containing restrictions described in clauses (c) (i), (ii) and (iii) above; provided that the terms and conditions of any such restrictions are in the good faith determination of the Board of Directors no less favorable to the holders of the Debt Securities than those under the agreement so refinanced or replaced; or (v) any encumbrance or restriction due to applicable law. (Section 10.4)

LIMITATION ON SECURED DEBT. The Indenture provides that the Company will not, and will not permit any Restricted Subsidiary to, create, assume or guarantee any Secured Debt without making effective provision for securing the Debt Securities (and, if the Company shall so determine, any other indebtedness of or guaranteed by the Company or such Restricted Subsidiary), equally and ratably with such Secured Debt; provided that this covenant does not apply to debt secured by (a) certain mortgages, pledges, liens, security interests or encumbrances to secure payment of all or part of the purchase price or the cost of construction or improvement of property of the Company or any Restricted Subsidiary, (b) mortgages, pledges, liens, security interests or encumbrances on property existing at the time of acquisition thereof, whether or not assumed by the Company or any Restricted Subsidiary, (c) mortgages, pledges, liens, security interests or encumbrances on property, shares of stock or indebtedness of a corporation existing at the time such corporation becomes a Restricted Subsidiary, (d) mortgages, pledges, liens, security interests or encumbrances on property of a corporation existing at the time such corporation is merged into or consolidated with the Company or any Restricted Subsidiary or at the time of a sale, lease or other disposition of the properties of a corporation or firm as an entirety or substantially as an entirety to the Company or any Restricted Subsidiary, (e) mortgages, including mortgages, pledges, liens, security interests or encumbrances, on property of the Company or any Restricted Subsidiary in favor of the United States of America, any State thereof, or any

other country, or any agency, instrumentality or political subdivision thereof, to secure certain payments pursuant to any contract or statute or to secure indebtedness incurred for the purpose of financing all or any part of the purchase price or the cost of construction or improvement of the property subject to such mortgages, (f) any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any mortgage, pledge, lien or encumbrance referred to in the foregoing clauses (a) to (e), inclusive, provided that the principal amount of such indebtedness shall not exceed the principal amount outstanding at the time of such extension, renewal or replacement, and that such extension, renewal or replacement shall be limited to property

which secured the mortgage so extended, renewed or replaced and additions to such property, or (g) any mortgage, pledge, lien, security interest or encumbrance securing indebtedness owing by the Company or any Restricted Subsidiary to the Company or to one or more Restricted Subsidiaries or both. (Section 10.5) In addition to the foregoing specific exceptions, the Company and one or more Restricted Subsidiaries may, without securing the Debt Securities, create, assume or guarantee Secured Debt which would otherwise be subject to the foregoing restrictions, provided that, after giving effect thereto, the aggregate amount of all Secured Debt then outstanding (not including Secured Debt permitted under the foregoing exceptions) and the aggregate "value" of Sale and Leaseback Transactions (as defined below) (other than such transactions in connection with which indebtedness has been, or will be, retired in accordance with clause (b) of the paragraph below entitled "Limitation on Sale and Leaseback Transactions") at such time does not exceed 5% of Consolidated Net Tangible Assets. (Section 10.5)

In addition, the Indenture provides that no consolidation or merger of the Company and no conveyance or transfer of the property or assets of the Company, substantially as an entirety, shall be made with or to another corporation if as a result thereof any property or assets of the Company would become subject to a mortgage, pledge, lien, security interest or encumbrance not permitted by the terms of the Indenture unless effective provision shall be made to secure the Debt Securities equally and ratably with (or prior to) all indebtedness thereby secured. See "Merger or Consolidation" below.

LIMITATION ON SALE AND LEASEBACK TRANSACTIONS. The Indenture provides that the Company will not, and will not permit any Restricted Subsidiary to, sell or transfer (except to the Company or one or more Restricted Subsidiaries, or both) any Principal Property owned by it with the intention of taking back a lease on such property except a lease for a period not exceeding three years with the intent that the use by the Company or such Restricted Subsidiary of such property will be discontinued on or before the expiration of such period (a "Sale and Leaseback Transaction") unless (a) the Company or such Restricted Subsidiary would be entitled pursuant to the provisions of the Indenture summarized above to incur Secured Debt in an amount equal to the amount realized or to be realized upon such sale or transfer secured by a mortgage on the property to be leased without equally and ratably securing the Debt Securities, or (b) the Company or such Restricted Subsidiary shall apply an amount equal to the value of the property so leased to the retirement (other than payment at maturity or mandatory prepayment), within 120 days after the effective date of such arrangement, of indebtedness for money borrowed by the Company or any Restricted Subsidiary which was recorded as funded debt as of the date of its creation and which, in the case of such indebtedness of the Company, is not subordinate and junior in right of payment to the Debt Securities, subject to credits for certain voluntary retirements of such indebtedness. The term "value" means, with respect to a Sale and Leaseback Transaction, as of any particular time, the amount equal to the greater of (i) the net proceeds of the sale of the property leased pursuant to such Sale and Leaseback Transaction, or (ii) the fair value of such property at the time of entering into such Sale and Leaseback Transaction, as determined by the Board of Directors, in either case divided first by the number of full years of the term of the lease and then multiplied by the number of full years of such term remaining at the time of determination, without regard to any renewal or extension options contained in the lease. (Section 10.6)

LIMITATION ON TRANSFER OF PRINCIPAL PROPERTY. The Indenture provides that the Company will not, and will not permit any Restricted Subsidiary to, transfer any Principal Property to any Unrestricted Subsidiary unless it applies an amount equal to the fair value of such property at the time of transfer, as determined by the Board of Directors, to the retirement (other than mandatory retirement), within 120 days after the effective date of such transfer, of indebtedness for money borrowed by the Company or any Restricted Subsidiary which was recorded as funded debt as of the date of its creation and which, in case of such indebtedness of the Company, is not subordinated and junior in right of payment of the Debt Securities. (Section 10.7)

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EVENTS OF DEFAULT

The Indenture provides, with respect to any series of Debt Securities outstanding thereunder that the following shall constitute Events of Default: (i) default in the payment of any installment of interest upon or any Additional Amounts payable in respect of any Debt Security of that series when the same becomes due and payable, continued for 30 days; (ii) default in the payment of all or any part of the principal of or any premium on any Debt Security of that series at its Maturity; (iii) default in the deposit of any sinking fund payment when due by the terms of any Debt Security of that series; (iv) failure by the Company for 60 days after written notice to it to comply with any of its other agreements in the Debt Securities of such series, in the Indenture or in any supplemental indenture under which the Debt Securities of that series may have been issued (other than covenants relating only to other series); (v) certain events in bankruptcy, insolvency or reorganization of the Company or any of its Subsidiaries; (vi) a default on any Indebtedness of the Company or any of its Subsidiaries (other than a default with respect to Debt Securities of such series) having an outstanding principal amount of more than \$15 million in the aggregate, whether such Indebtedness exists on the date of the Indenture or shall thereafter be created, and such default relates to the obligation to pay the principal of, interest on, any Additional Amounts payable in respect of or any other payment obligation on any such Indebtedness when due and such default continues for 15 days; (vii) an event of default or default as defined or designated in any Indebtedness of the Company or any of its Subsidiaries, (other than a default with respect to Debt Securities of such series) having an outstanding aggregate principal amount of more than \$15 million, whether such Indebtedness exists on the date of the Indenture or shall thereafter be created, shall happen and such default shall result in such Indebtedness becoming or being declared due and payable prior to the date on which it would otherwise become due and payable; (viii) if any judgment or order by a court of competent jurisdiction shall be rendered against the Company or any of its Subsidiaries for the payment of money in an amount in excess of \$15 million and such judgment or order shall not be discharged, and there shall be any period of 60 consecutive days following entry of such judgment or order during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; and (ix) any other Event of Default provided with respect to Debt Securities of that series. (Section 5.1) The Company is required to file with the Trustee, annually, an Officers' Certificate as to the Company's compliance with all conditions and covenants under the Indenture. (Section 10.8) The Indenture provides that the Trustee may withhold notice to the holders of a series of Debt Securities of any default (except payment defaults on such Debt Securities) if it considers it in the interest of the holders of such series of Debt Securities to do so. (Section 6.5)

If an Event of Default with respect to Debt Securities of a particular series (other than an Event of Default specified in clause (v) in the immediately preceding paragraph) shall occur and be continuing, the Trustee or the holders of not less than 25% in principal amount of Outstanding Debt Securities of that series may declare the principal amount of (or, if the Debt Securities of that series are Original Issue Discount Securities or Indexed Securities, such portion of the principal amount as may be specified in the terms of that series) and any accrued and unpaid interest on and any Additional Amounts payable in respect of all of the Outstanding Debt Securities of that series due and payable immediately. If an Event of Default specified in clause

(v) of the immediately preceding paragraph shall occur and be continuing, then the principal amount of (or, if the Debt Securities of that series are Original Issue Discount Securities or Indexed Securities, such portion of the principal amount as may be specified in the terms of that series) and any accrued and unpaid interest on and any Additional Amounts payable in respect of that series shall immediately become due and payable without any declaration or other act on the part of the Trustee or any holder. (Section 5.2)

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Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an Event of Default with respect to Debt Securities of a particular series shall occur and be continuing, the Trustee shall be under no obligation to exercise any of its rights or powers under the Indenture at the request, order or direction of any of the holders of Debt Securities of that series, unless such holders shall have offered to the Trustee reasonable indemnity against the expenses and liabilities which might be incurred by it in compliance with such request. (Section 5.7) Subject to such provisions for the indemnification of the Trustee, the holders of a majority in principal amount of the Outstanding Debt Securities of such series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee under the Indenture, or exercising any trust or power conferred on the Trustee with respect to the Debt Securities of that series. (Section 5.12)

The holders of not less than a majority in principal amount of the Outstanding Debt Securities of any series under the Indenture may on behalf of the holders of all the Debt Securities of such series waive any past default under the Indenture with respect to such series and its consequences, except a default (i) in the payment of the principal of (or premium, if any) or interest on or Additional Amounts payable in respect of any Debt Security of such series, or (ii) in respect of a covenant or provision that cannot be modified or amended without the consent of the holder of each Outstanding Debt Security of such series affected thereby. (Section 5.13)

MERGER OR CONSOLIDATION

The Indenture provides that the Company may not consolidate with or merge with or into any other corporation or convey or transfer its properties and assets substantially as an entirety to any Person, unless either the Company is the continuing corporation or such corporation or Person assumes by supplemental indenture all the obligations of the Company under the Indenture and the Debt Securities issued thereunder and immediately after the transaction no Event of Default and no event which, after notice or lapse of time, or both, would become an Event of Default shall exist. The Company will deliver to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance or transfer and such supplemental indenture comply with the terms of the Indenture.

In addition, no such consolidation, merger, conveyance or transfer may be made if as a result thereof any Principal Property of the Company or a Restricted Subsidiary would become subject to any mortgage, pledge, lien, security interest or encumbrance unless either (i) such mortgage, pledge, lien, security interest or encumbrance could be created pursuant to Section 10.4 of the Indenture (see "Limitation on Secured Debt" above) without equally and ratably securing the Debt Securities issued under the Indenture or (ii) such Debt Securities are secured equally and ratably with the debt secured by such mortgage, pledge, lien, security interest or encumbrance. (Sections 8.1 and 8.2)

MODIFICATION OR WAIVER

Modification and amendment of the Indenture may be made by the Company and the Trustee with the consent of the holders of not less than a majority in principal amount of all Outstanding Debt Securities issued under the Indenture that are affected by such modification or amendment; PROVIDED that no such modification or amendment may, without the consent of the holders of each Outstanding Debt Security affected thereby, among other things: (i) change the Stated Maturity of the principal of (or premium, if any, on) or any installment

of principal of or interest on any such Debt Security; (ii) reduce the principal amount or the rate of interest on or any Additional Amounts payable in respect of, or any premium payable upon the redemption of, any such Debt Security; (iii) change any obligation of the Company to pay Additional Amounts in respect of any such Debt Security; (iv) reduce the amount of the principal of an Original Issue Discount Security that would be due and payable upon a declaration of acceleration of the Maturity thereof or provable in bankruptcy; (v) adversely affect any right of repayment at the option of the holder of any such Debt Security; (vi) change the place or Currency of payment of principal of, or any premium or interest on, any such Debt Security; (vii) impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof or on or after any Redemption Date or Repayment Date therefor; (viii) reduce the

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above-stated percentage in principal amount of such Outstanding Debt Securities, the consent of whose holders is necessary to modify or amend the Indenture or to consent to any waiver thereunder; or (ix) modify any of the foregoing requirements or reduce the percentage of such Outstanding Debt Securities necessary to waive any past default or compliance with certain restrictive provisions. (Section 9.2)

The holders of a majority in aggregate principal amount of Outstanding Debt Securities issued under the Indenture have the right to waive compliance by the Company with certain covenants contained in the Indenture. (Section 10.10)

Modification and amendment of the Indenture may be made by the Company and the Trustee, without the consent of any holder, for any of the following purposes: (i) to evidence the succession of another Person to the Company as obligor under the Indenture pursuant to the terms of the Indenture; (ii) to add to the covenants of the Company for the benefit of the holders of all or any series of Debt Securities issued under the Indenture or to surrender any right or power conferred upon the Company by the Indenture; (iii) to add Events of Default for the benefit of the holders of all or any series of such Debt Securities; (iv) to add to or change any of the provisions of the Indenture to facilitate the issuance of, or to liberalize the terms of, Bearer Securities or to permit or facilitate the issuance of Debt Securities in uncertificated form, PROVIDED that any such actions shall not adversely affect the holders of such Debt Securities; (v) to change or eliminate any provision of the Indenture, PROVIDED that any such change or elimination shall become effective only when there are no such Debt Securities Outstanding of any series created prior thereto which are entitled to the benefit of such provision; (vi) to secure such Debt Securities pursuant to the requirements of Section 8.1 or Article X of the Indenture, or otherwise; (vii) to establish the form or terms of such Debt Securities of any series; (viii) to provide for the acceptance of appointment by a successor Trustee or facilitate the administration of the trusts under the Indenture by more than one Trustee; (ix) to cure any ambiguity, defect or inconsistency in the Indenture, PROVIDED such action does not adversely affect the interests of holders of such Debt Securities of any series; or (x) to supplement any of the provisions of the Indenture to the extent necessary to permit or facilitate defeasance and discharge of any series of such Debt Securities, PROVIDED that such action shall not adversely affect the interests of the holders of any such Debt Securities. (Section 9.1)

The Indenture provides that in determining whether the holders of the requisite principal amount of Debt Securities of a series then Outstanding have given any request, demand, authorization, direction, notice, consent or waiver thereunder, (i) the principal amount of an Original Issue Discount Security that shall be deemed to be Outstanding shall be the amount of the principal thereof that would be due and payable as of the date of such determination upon acceleration of the Maturity thereof, (ii) the principal amount of a Debt Security denominated in a foreign Currency or Currencies shall be the U.S. dollar equivalent, determined on the trade date for such Debt Security, of the principal amount (or, in the case of an Original Issue Discount Security, the U.S. dollar equivalent on the trade date of such Debt Security of the amount determined as provided in (i) above), (iii) the principal amount of any Indexed Security that may be counted in making such determination or calculation and

that shall be deemed Outstanding for such purpose shall be equal to the principal face amount of such Indexed Security at original issuance, unless otherwise provided with respect to such Indexed Security pursuant to Section 3.1 of the Indenture, and (iv) Debt Securities owned by the Company or any other obligor upon the Debt Securities or any Affiliate of the Company or of such other obligor shall be disregarded. (Section 1.1)

DISCHARGE, DEFEASANCE AND COVENANT DEFEASANCE

The Company may discharge certain obligations to holders of any series of Debt Securities which have not already been delivered to the Trustee for cancellation and which either have become due and payable or are by their terms due and payable within one year (or scheduled for redemption within one year) by irrevocably depositing with the Trustee in trust funds in an amount sufficient to pay the entire indebtedness on such Debt Securities for principal (and premium, if any) and interest, and any

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Additional Amounts with respect thereto, to the date of such deposit (if such Debt Securities have become due and payable) or to the Stated Maturity or Redemption Date, as the case may be. (Section 4.1)

The Indenture provides that, if the provisions relating to defeasance are made applicable to the Debt Securities of or within any series pursuant to Section 3.1 of the Indenture, the Company may elect either (a) to defease and be discharged from any and all obligations with respect to such Debt Securities (except for the obligation to pay Additional Amounts, if any, upon the occurrence of certain events of tax, assessment or governmental charge with respect to payments on such Debt Securities and the obligations to register the transfer or exchange of such Debt Securities, to replace temporary or mutilated, destroyed, lost or stolen Debt Securities, to maintain an office or agency in respect of such Debt Securities and to hold moneys for payment in trust) ("defeasance") (Section 14.2) or (b) to be released from its obligations with respect to such Debt Securities under certain covenants described under "Certain Covenants -- Limitations on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries," "-- Limitation on Secured Debt," "-- Limitation on Sale and Leaseback Transactions" and "-- Limitation on Transfer of Principal Property" and, if provided pursuant to Section 3.1 of the Indenture, its obligations with respect to any other covenant (except for certain obligations), and payment of the Debt Securities of such series may not be accelerated because of a default or an Event of Default under clause (vi), (vii) or (viii) under "Events of Default" above or because of the failure of the Company to comply with the provisions of the second paragraph under "Merger or Consolidation" above ("covenant defeasance") (Section 14.3), in either case upon the irrevocable deposit by the Company with the Trustee (or other qualifying trustee) in trust of (i) an amount, in the Currency or Currencies in which such Debt Securities are then specified as payable at Stated Maturity, (ii) Government Obligations (as defined below) applicable to such Debt Securities (with such applicability being determined on the basis of the Currency in which such Debt Securities are then specified as payable at Stated Maturity) which through the payment of principal and interest in accordance with their terms will provide money in an amount or (iii) a combination thereof in an amount, sufficient to pay the principal of (and premium, if any) and interest, if any, on such Debt Securities, and any mandatory sinking fund or analogous payments thereon, on the scheduled due dates therefor.

Such a trust may only be established if, among other things, the Company has delivered to the Trustee an Opinion of Counsel (as specified in the Indenture) to the effect that the holders of such Debt Securities will not recognize income, gain or loss for United States federal income tax purposes as a result of such defeasance or covenant defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance or covenant defeasance had not occurred, and such Opinion of Counsel, in the case of defeasance under clause (a) above, must refer to and be based upon a ruling of the Internal Revenue Service or a change in applicable United States federal income tax law occurring after the date of the Indenture. (Section 14.4)

"Government Obligations" means securities which are (i) direct obligations of the United States of America or the government which issued the foreign currency in which the Debt Securities of a particular series are payable, for the payment of which its full faith and credit is pledged or (ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America or such government which issued the foreign currency in which the Debt Securities of such series are payable, the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America or such other government which, in either case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any such Government Obligation or a specific payment of interest on or principal of any such Government Obligation held by such custodian for the account of the holder of a depository receipt; PROVIDED that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to

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the holder of such depository receipt from any amount received by the custodian in respect of the Government Obligation or the specific payment of interest on or principal of the Government Obligation evidenced by such depository receipt. (Section 1.1)

Unless otherwise provided in the Prospectus Supplement, if, after the Company has deposited funds and/or Government Obligations to effect defeasance or covenant defeasance with respect to Debt Securities of any series, (a) the holder of a Debt Security of such series is entitled to, and does, elect pursuant to the terms of the Indenture or of such Debt Security to receive payment in a Currency other than that in which such deposit has been made in respect of such Debt Security, or (b) the Currency in which such deposit has been made in respect of any Debt Security of such series (i) is a foreign Currency, and it ceases to be used both by the government of the country that issued the Currency and by a central bank or other public institutions of such country or within the international banking community for the settlement of transactions, (ii) is the ECU, and it ceases to be used both within the European Monetary System and for the settlement of transactions by public institutions of or within the European Communities or (iii) is any currency unit (or composite currency) other than the ECU, and it ceases to be used for the purposes for which it was established (each of the events described in clauses (i) through (iii), a "Conversion Event"), then the indebtedness represented by such Debt Security shall be deemed to have been, and will be, fully discharged and satisfied through the payment of the principal of (and premium, if any) and interest, if any, on such Debt Security as they become due out of the proceeds yielded by converting the amount so deposited in respect of such Debt Security into the Currency in which such Debt Security becomes payable as a result of such election or such Conversion Event based on the applicable Market Exchange Rate. (Section 14.5) Unless otherwise provided for in the Prospectus Supplement, all payments of principal of (and premium, if any) and interest, if any, and Additional Amounts, if any, on any Debt Security that are payable in a foreign Currency with respect to which a Conversion Event occurs shall be made in U.S. dollars. (Section 3.12)

In the event the Company effects covenant defeasance with respect to any Debt Securities and such Debt Securities are declared due and payable because of the occurrence of any Events of Default other than the Event of Default described in clause (iv) or (ix) under "Events of Default" with respect to any covenant with respect to which there has been defeasance, the amount in such Currency in which such Debt Securities are payable and Government Obligations that are on deposit with the Trustee will be sufficient to pay amounts due on such Debt Securities at the time of their Stated Maturity but may not be sufficient to pay amounts due on such Debt Securities at the time of the acceleration resulting from such Event of Default. However, the Company would remain liable to make payment of such amounts due at the time of acceleration.

If the Trustee or any applicable Paying Agent is unable to apply any money in accordance with the Indenture by reason of any order or judgment of any court

or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's obligations under the Indenture and such Debt Securities shall be revived and reinstated as though no deposit had occurred pursuant to the Indenture, until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with the Indenture; PROVIDED, HOWEVER, that if the Company makes any payment of principal of (or premium, if any) or interest on any such Debt Security following the reinstatement of its obligations, the Company shall be subrogated to the rights of the holders of such Debt Securities to receive such payment from the money held by the Trustee or Paying Agent.

The Prospectus Supplement may further describe the provisions, if any, permitting such defeasance or covenant defeasance, including any modifications to the provisions described above, with respect to the Debt Securities of or within a particular series.

PAYMENT AND PAYING AGENT

Unless otherwise provided in the Prospectus Supplement, principal of and any premium, interest and Additional Amounts on Registered Securities will be payable at any office or agency to be maintained by the Company in New York, New York, except that at the option of the Company interest

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(including Additional Amounts, if any) may be paid (i) by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register or (ii) by wire transfer to an account maintained by the Person entitled thereto as specified in the Security Register. (Sections 3.1, 10.1 and 10.2) Unless otherwise provided in the Prospectus Supplement, payment of any installment of interest on Registered Securities will be made to the Person in whose name such Registered Security is registered at the close of business on the Regular Record Date for such interest. (Section 3.7)

Unless otherwise provided in the Prospectus Supplement, principal of and any premium, interest and Additional Amounts on Bearer Securities will be payable, subject to any applicable laws and regulations, at the offices of such Paying Agents outside the United States as the Company may designate from time to time. (Section 10.2) Such payment on Bearer Securities also may be made by transfer to an account maintained by the payee with a bank located outside the United States. (Section 3.7) Unless otherwise provided in the Prospectus Supplement, payment of interest and certain Additional Amounts on Bearer Securities on any Interest Payment Date will be made only against surrender of the coupon relating to such Interest Payment Date. (Section 10.1) Unless otherwise provided in the Prospectus Supplement, no payment with respect to any Bearer Security will be made at any office or agency of the Company in the United States or by check mailed to any address in the United States or by transfer to an account maintained with a bank located in the United States. Notwithstanding the foregoing, payments of principal of and any interest and Additional Amounts in respect of Bearer Securities payable in U.S. dollars will be made at the office of the Company's Paying Agent in New York, New York, if (but only if) payment of the full amount thereof in U.S. dollars at all offices or agencies outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions. (Section 10.2)

Any Paying Agents in the United States in addition to or in place of the Trustee at its Corporate Trust Office and any Paying Agents outside the United States initially designated by the Company for the Offered Debt Securities will be named in the Prospectus Supplement. The Company may at any time designate additional Paying Agents or rescind the designation of any Paying Agent or approve a change in the office through which any Paying Agent acts, except that, if Debt Securities of a series are issuable only as Registered Securities, the Company will be required to maintain a Paying Agent in each Place of Payment for such series and, if Debt Securities of a series are also issuable as Bearer Securities, the Company will be required to maintain (i) a Paying Agent in New York, New York for payments with respect to any Registered Securities of the series (and for payments with respect to Bearer Securities of the series in the circumstances described above, but not otherwise), and (ii) a Paying Agent in a

Place of Payment located outside the United States where Debt Securities of such series and any coupons appertaining thereto may be presented and surrendered for payment; PROVIDED that, if the Debt Securities of such series are listed on the Luxembourg Stock Exchange or any other stock exchange located outside the United States and such stock exchange shall so require, the Company will maintain a Paying Agent in Luxembourg or any other required city located outside the United States, as the case may be, for the Debt Securities of such series. (Section 10.2)

BOOK-ENTRY DEBT SECURITIES

The Debt Securities of a series may be issued in whole or in part in the form of one or more Global Securities that will be deposited with or on behalf of a depository ("Depository") identified in the applicable Prospectus Supplement. In such a case, one or more Global Securities will be issued in a denomination or aggregate denominations equal to the portion of the aggregate principal amount of the Outstanding Debt Securities of the series to be represented by such Global Security or Global Securities. Unless and until it is exchanged in whole or in part for Debt Securities in registered form, a Global Security may not, subject to certain exceptions, be registered for transfer or exchange except to the Depository for such Global Security or a nominee of such Depository.

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The specific terms of the Depository arrangement with respect to any Debt Securities of a series will be described in the applicable Prospectus Supplement. The Company anticipates that the following provisions will be applicable to Depository arrangements.

Unless otherwise specified in the applicable Prospectus Supplement, Debt Securities which are to be represented by a Global Security to be deposited with or on behalf of a Depository will be represented by a Global Security registered in the name of such Depository or its nominee. Upon the issuance of such Global Security and the deposit of such Global Security with or on behalf of the Depository for such Global Security, the Depository will credit on its book-entry registration and transfer system the respective principal amounts of the Debt Securities represented by such Global Security to the accounts of institutions that have accounts with such Depository or its nominee ("participants"). The accounts to be credited will be designated by the underwriters or agents of such Debt Securities or by the Company if such Debt Securities are offered and sold directly by the Company. Ownership of beneficial interests in such Global Security will be limited to participants or persons that may hold interests through participants. Ownership of beneficial interests by participants in such Global Security will be shown on, and the transfer of that ownership interest will be effected only through, records maintained by the Depository for such Global Security. Ownership of beneficial interests in such Global Security by persons that hold through participants will be shown on, and the transfer of that ownership interest within such participant will be effected only through, records maintained by such participant. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of such securities in certificated form. The foregoing limitations and such laws may impair the ability to transfer beneficial interests in such Global Securities.

So long as the Depository for a Global Security or its nominee is the registered owner of such Global Security, such Depository or such nominee, as the case may be, will be considered the sole owner or holder of the Debt Securities represented by such Global Security for all purposes under the Indenture. Unless otherwise specified in the applicable Prospectus Supplement, owners of beneficial interests in such Global Security will not be entitled to have Debt Securities of the series represented by such Global Security registered in their names, will not receive or be entitled to receive physical delivery of Debt Securities of such series in certificated form and will not be considered the holders thereof for any purposes under the Indenture. Accordingly, each person owning a beneficial interest in such Global Security must rely on the procedures of the Depository and, if such person is not a participant, on the procedures of the participant through which such person owns

its interest to exercise any rights of a holder under the Indenture. The Company understands that, under existing industry practices, if the Company requests any action of holders or an owner of a beneficial interest in such Global Security desires to give any notice or take any action a holder is entitled to give or take under the Indenture, the Depository would authorize the participants to give such notice or take such action, and participants would authorize beneficial owners owning through such participants to give such notice or take such action or would otherwise act upon the instructions of beneficial owners owning through them.

Principal of and any premium and interest on a Global Security will be payable in the manner described in the applicable Prospectus Supplement.

RESIGNATION OF TRUSTEE

The Trustee may resign or be removed with respect to one or more series of Debt Securities and a successor Trustee may be appointed to act with respect to such series. (Section 6.8) In the event that two or more persons are acting as Trustee with respect to different series of Debt Securities issued under the Indenture, each such Trustee shall be a trustee of a trust under the Indenture separate and apart from the trust administered by any other such Trustee (Section 6.9), and any action described herein to be taken by the "Trustee" may then be taken by each such Trustee with respect to, and only with respect to, the one or more series of Debt Securities for which it is Trustee.

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CERTAIN DEFINITIONS

"Acquired Indebtedness" means Indebtedness of a Person (i) assumed in connection with the acquisition of assets from another Person or secured by the assets so acquired from such other Person or (ii) existing at the time such other Person becomes a Restricted Subsidiary (other than any Indebtedness incurred in connection with, or in contemplation of, such asset acquisition or such other Person becoming a Restricted Subsidiary). Acquired Indebtedness shall be deemed to be incurred on the date of the related acquisition of assets from any other Person or the date the acquired Person becomes a Restricted Subsidiary.

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

"Capital Stock" means, with respect to any Person, any and all shares, interests, participations, rights in or other equivalents (however designated) of such Person's capital stock, and any rights (other than debt securities convertible into capital stock), warrants or options exchangeable for or convertible into capital stock.

"Capitalized Lease Obligation" means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes in accordance with generally accepted accounting principles, and the amount of Indebtedness represented by such obligation shall be the capitalized amount of such obligation determined in accordance with such principles; and the stated maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty.

"Common Stock" means the Company's common stock, par value \$1.00 per share.

"Consolidated Net Tangible Assets" means the aggregate amount of assets after deducting therefrom (a) all current liabilities (excluding any such liability that by its term is extendable 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, excess of cost over assets acquired, patents, copyrights, trademarks, tradenames, unamortized debt discount and expense and other like intangibles, all as shown in the most recent consolidated financial statements of the Company and its consolidated Subsidiaries prepared in accordance with generally accepted accounting principles.

"Currency Agreement" means any foreign exchange contract, currency swap agreement or other similar arrangement designed to protect the Company or any Restricted Subsidiary against fluctuations in currency values.

"Indebtedness" means, with respect to any Person, at any date, any of the following, without duplication, (i) any liability, contingent or otherwise, of such Person (A) for borrowed money (whether or not the recourse of the lender is to the whole of the assets of such Person or only to a portion thereof), (B) evidenced by a note, bond, debenture, settlement agreement or similar instrument or (C) for the payment of money relating to a Capitalized Lease Obligation or other obligation (whether issued or assumed) relating to the deferred purchase price of property; (ii) all conditional sale obligations and all obligations under any title retention agreement (even if the rights and remedies of the seller under such agreement in the event of default are limited to repossession or sale of such property), but excluding trade accounts payable arising in the ordinary course of business; (iii) all obligations for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction other than entered into in the ordinary course of business; (iv) all indebtedness of others secured by (or for which the holder of such indebtedness has an existing right, contingent or

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otherwise, to be secured by) any Lien on any asset or property (including, without limitation, leasehold interests and any other tangible or intangible property) of such Person, whether or not such indebtedness is assumed by such Person or is not otherwise such Person's legal liability; provided, that if the obligations so secured have not been assumed in full by such Person or are otherwise not such Person's legal liability in full, the amount of such indebtedness for the purposes of this definition shall be limited to the lesser of the amount of such indebtedness secured by such Lien or the fair market value of the assets of the property securing such Lien; (v) all indebtedness of others (including all interest and dividends on any Indebtedness or preferred stock of any other Person for the payment of which is) guaranteed, directly or indirectly, by such Person or that is otherwise its legal liability or which such Person has agreed to purchase or repurchase or in respect of which such Person has agreed contingently to supply or advance funds; and (vi) obligations in respect of Currency Agreements and Interest Swap Obligations.

"Interest Swap Obligations" means the obligations of any Person pursuant to any interest rate swap agreement, interest rate collar agreement or other similar agreement or arrangement designed to protect such Person or any of its Subsidiaries against fluctuations in interest rates.

"Issue Date" means the first date on which a Debt Security is authenticated by the Trustee pursuant to the Indenture.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien, charge or adverse claim affecting title or resulting in an encumbrance against real or personal property or a security interest of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof or any filing or agreement to file a financing statement as debtor under the Uniform Commercial Code or any similar statute other than to reflect ownership by a third party or property leased to the Company or any of its Subsidiaries under a lease that is not in the nature of a conditional sale or title retention agreement).

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

"Principal Property" means any manufacturing plant or other facility having a gross book value in excess of 1% of Consolidated Net Tangible Assets at the time of determination thereof and owned or leased by the Company or any Restricted Subsidiary and located in the United States of America, Canada or the Commonwealth of Puerto Rico, other than any such manufacturing plant or other facility or portion thereof which, in the opinion of the Board of Directors, is not of material importance to the business conducted by the Company and its Subsidiaries as a whole.

"Restricted Subsidiary" means any Subsidiary of the Company that is not an Unrestricted Subsidiary.

"Secured Debt" means indebtedness for money borrowed which is secured by a mortgage, pledge, lien, security interest or encumbrance on (a) any Principal Property of the Company or any Restricted Subsidiary or (b) any shares of stock or Indebtedness of any Restricted Subsidiary.

"Stated Maturity," when used with respect to any Debt Security or any installment of principal thereof or interest thereon, means the date specified in such Debt Security or a coupon representing such installment of interest as the fixed date on which the principal of such Debt Security or such installment of principal or interest is due and payable.

"Subsidiary" means a corporation, a majority of the Voting Stock of which at the time is owned, directly or indirectly, by the Company or by one or more other Subsidiaries, or by the Company and one or more other Subsidiaries.

"Unrestricted Subsidiary" means (a) any Subsidiary of the Company that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided below and (b) any Subsidiary of an Unrestricted Subsidiary. The Board of Directors may

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designate any Subsidiary of the Company (including any newly-acquired or newly-formed Subsidiary) to be an Unrestricted Subsidiary unless such Subsidiary owns any Capital Stock of, or owns or holds any lien on any property of, the Company or any other Subsidiary of the Company that is not a Subsidiary of the Subsidiary so designated; provided, however, that the Subsidiary to be so designated has total assets of \$5 million or less.

"Voting Stock" means any class or classes of Capital Stock pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of any Person (irrespective of whether or not at the time stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

DESCRIPTION OF DEBT WARRANTS

The Company may issue (together with Debt Securities or separately) Debt Warrants for the purchase of Debt Securities ("Offered Debt Warrants"). The Debt Warrants are to be issued under warrant agreements (each a "Debt Warrant Agreement") to be entered into between the Company and a bank or trust company, as warrant agent (the "Debt Warrant Agent"), all as shall be set forth in the Prospectus Supplement relating to Debt Warrants being offered thereby. A copy of the form of Debt Warrant Agreement, including the form of warrant certificates representing the Debt Warrants (the "Debt Warrant Certificates"), reflecting the alternative provisions to be included in the Debt Warrant Agreements that will be entered into with respect to particular offerings of Debt Warrants, is filed as an exhibit to the Registration Statement. The following summaries of certain provisions of the Debt Warrant Agreement and the Debt Warrant Certificates do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all the provisions of the Debt Warrant Agreement and the Debt Warrant Certificates, respectively, including the definitions therein of certain terms.

GENERAL

The Prospectus Supplement will describe the terms of the Offered Debt Warrants, the Debt Warrant Agreement relating to such Debt Warrants and the Debt Warrant Certificates representing such Debt Warrants, including the following:

- (1) The title and aggregate number of such Debt Warrants.
- (2) The offering price of such Debt Warrants.
- (3) The designation, aggregate principal amount and terms of the Underlying Debt Securities purchasable upon exercise of such Debt Warrants.
- (4) The designation, aggregate principal amount and terms of any related Debt Securities with which such Debt Warrants are issued and the number of such Debt Warrants issued with each such Debt Security.
- (5) The date, if any, on and after which such Debt Warrants and the related Debt Securities will be separately transferable.
- (6) The principal amount of Underlying Debt Securities purchasable upon exercise of each such Debt Warrant and the price at which such principal amount of Debt Securities may be purchased upon such exercise.
- (7) The date on which the right to exercise such Debt Warrants shall commence and the date on which such right shall expire (the "Expiration Date").
- (8) A discussion of federal income tax considerations applicable to the Underlying Debt Securities and the exercise of such Debt Warrants.

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- (9) Whether the Debt Warrant Certificates evidencing such Debt Warrants will be issued in registered or bearer form, and, if registered, where they may be transferred and registered.
- (10) Any other terms of such Debt Warrants.

Debt Warrant Certificates will be exchangeable for new Debt Warrant Certificates of different denominations and Debt Warrants may be exercised at the corporate trust office of the Debt Warrant Agent or any other office indicated in the Prospectus Supplement. Prior to the exercise of their Debt Warrants, holders of Debt Warrants will not be entitled to payments of principal (or premium, if any) or interest, if any, on or Additional Amounts, if any, in respect of the Underlying Debt Securities purchasable upon such exercise.

EXERCISE OF DEBT WARRANTS

Each Debt Warrant will entitle the holder of such Debt Warrant to purchase for cash such principal amount of Underlying Debt Securities at such exercise price as shall be set forth in, or be determinable as set forth in, the Prospectus Supplement relating to the Offered Debt Warrants. Offered Debt Warrants may be exercised at any time up to the close of business on the Expiration Date set forth in the Prospectus Supplement relating thereto. After the close of business on the Expiration Date, unexercised Debt Warrants will become void.

Offered Debt Warrants may be exercised as set forth in the Prospectus Supplement relating thereto. Upon receipt of payment and the Debt Warrant Certificate properly completed and duly executed at the corporate trust office of the Debt Warrant Agent or any other office indicated in the Prospectus Supplement, the Company will, as soon as practicable, forward the Underlying Debt Securities purchasable upon such exercise. If less than all of the Debt Warrants represented by such Debt Warrant Certificate are exercised, a new Debt Warrant Certificate will be issued for the remaining amount of Debt Warrants.

DESCRIPTION OF PREFERRED STOCK

Under its Restated Certificate of Incorporation, as amended (the "Certificate of Incorporation"), the Company is authorized to adopt resolutions providing for the issuance, in one or more series, of up to 15,000,000 shares of its preferred stock, \$1.00 par value, with such powers, preferences and relative, participating, optional or other special rights and qualifications, limitations or restrictions thereof as shall be adopted by the Board of Directors or a duly authorized committee thereof. The Company has no outstanding shares of preferred stock. However, 450,000 shares of a series of preferred stock have been designated as Series A Junior Preferred Stock (the "Series A Junior Preferred Stock") and are reserved for issuance upon exercise of certain preferred stock purchase rights associated with each share of the Company's common stock (the "Common Stock") pursuant to the Company's Rights Agreement.

The description below sets forth certain general terms and provisions of the shares of preferred stock covered by this Prospectus, which are referred to herein as the "Preferred Stock." The specific terms of the Preferred Stock to be offered (the "Offered Preferred Stock") will be described in the Prospectus Supplement relating to such Offered Preferred Stock. The following summaries of certain provisions of the Preferred Stock do not purport to be complete and are subject to, and are qualified in their entirety by reference to, the Certificate of Incorporation and the Certificate of Designation relating to the particular series of Preferred Stock.

If so indicated in the Prospectus Supplement, the terms of the Offered Preferred Stock may differ from the terms set forth below.

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GENERAL

Unless otherwise specified in the Prospectus Supplement relating to the Offered Preferred Stock, each series of Preferred Stock will rank on a parity as to dividends, upon liquidation and in all other respects with all other preferred stock of the Company, except the Series A Junior Preferred Stock, which will, if issued, rank junior to all series of Preferred Stock.

The Preferred Stock will, when issued, be fully paid and nonassessable. The Preferred Stock will not be convertible into shares of Common Stock or other shares of the Company and holders thereof will have no preemptive rights. The Preferred Stock will have the dividend, liquidation, redemption and voting rights set forth below unless otherwise provided in the Prospectus Supplement relating to the Offered Preferred Stock.

Reference is made to the Prospectus Supplement relating to the Offered Preferred Stock offered thereby for specific terms, including:

- (1) The title and stated value of such Preferred Stock.
- (2) The number of shares of such Preferred Stock offered, the liquidation preference per share and the offering price of such Preferred Stock.
- (3) The dividend rate(s), period(s) and/or payment date(s) or methods of calculation thereof applicable to such Preferred Stock.
- (4) The date from which dividends on such Preferred Stock shall accumulate, if applicable.
- (5) The procedures for any auction and remarketing, if any, of such Preferred Stock.
- (6) The provision for a sinking fund, if any, for such Preferred Stock.
- (7) The provision for redemption, if applicable, of such Preferred Stock.
- (8) Any listing of such Preferred Stock on any securities exchange.

(9) Any other specific terms, preferences, rights, limitations or restrictions of such Preferred Stock.

Subject to the terms of the Offered Preferred Stock, the remaining authorized shares of undesignated preferred stock may be issued by the Company in one or more series, at any time or from time to time, with such designations, preferences and relative, participating, optional or other special rights and qualifications, limitations or restrictions thereof, as the Board of Directors or any duly authorized committee thereof shall determine, all without further action of the stockholders, including holders of the preferred stock of the Company.

As used herein, the term "Pari Passu Preferred" means the Preferred Stock and any shares of stock issued by the Company ranking on a parity with the Preferred Stock as to payment of dividends and upon distribution of assets, and the term "Junior Stock" means the Common Stock, the Series A Junior Preferred Stock and any other stock issued by the Company ranking junior to the Pari Passu Preferred.

DIVIDENDS

Holders of the Offered Preferred Stock will be entitled to receive cash dividends, when, as and if declared by the Board of Directors out of assets of the Company legally available for payment, at such rate and on such dates as will be set forth in the applicable Prospectus Supplement. Each dividend will be payable to holders of record as they appear on the stock books of the Company on the record dates fixed by the Board of Directors. Dividends, if cumulative, will be cumulative from and after the date set forth in the applicable Prospectus Supplement. If, for any dividend period or periods, dividends on any Pari Passu Preferred have not been paid or declared and set apart for payment, the Company may not declare any dividends (except a dividend payable in Junior Stock or in options, rights or warrants to purchase or acquire Junior Stock) on, or make any distribution (except as aforesaid) on the Junior

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Stock, or make any payment on account of the purchase, redemption or other retirement of Junior Stock (except out of the proceeds of the sale of Junior Stock). Dividends in full may not be declared or paid or set apart for payment on any series of Pari Passu Preferred unless (i) there shall be no arrearages in dividends for any past dividend periods on any series of Pari Passu Preferred and (ii) to the extent that such dividends are cumulative, dividends in full for the current dividend period have been declared or paid on all Pari Passu Preferred. Any dividends declared or paid when dividends are not so declared, paid or set apart in full shall be shared ratably by the holders of all series of Pari Passu Preferred in proportion to such respective arrearages and undeclared and unpaid current cumulative dividends. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments which may be in arrears.

LIQUIDATION RIGHTS

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, the holders of the Offered Preferred Stock will be entitled to receive out of assets of the Company available for distribution to stockholders, before any distribution of assets is made to holders of any Junior Stock, liquidating distributions in the amount set forth in the applicable Prospectus Supplement plus all accrued and unpaid dividends. If, upon any voluntary or involuntary liquidation, dissolution or winding up of the Company, the amounts payable with respect to the Pari Passu Preferred are not paid in full, the holders of Pari Passu Preferred will share ratably in any such distribution of assets of the Company in proportion to the full respective preferential amounts to which they are entitled. After payment of the full amount of the liquidating distribution to which they are entitled, the holders of the Pari Passu Preferred will not be entitled to any further participation in any distribution of assets by the Company. A consolidation or merger of the Company with or into any corporation or corporations or a sale of all or

substantially all of the assets of the Company shall not be deemed to be a liquidation, dissolution or winding up of the Company.

REDEMPTION

If so determined by the Board of Directors, the Offered Preferred Stock will be redeemable in whole or in part at the option of the Company, at the times and at the redemption prices set forth in the applicable Prospectus Supplement.

If dividends on any series of Pari Passu Preferred have not been paid in full or declared and set apart for payment, no series of Pari Passu Preferred may be redeemed as a whole or in part, unless all series of Pari Passu Preferred are simultaneously redeemed, and the Company may not purchase or acquire any shares of Pari Passu Preferred otherwise than pursuant to an exchange offer made on the same terms to all holders of Pari Passu Preferred, without in either case the consent of the holders of at least two-thirds of all Pari Passu Preferred voting together as a single class without regard to series.

VOTING RIGHTS

Except as indicated below or in the Prospectus Supplement, or except as expressly required by applicable law, the holders of the Preferred Stock will not be entitled to vote. If the equivalent of six quarterly dividends payable on any series of Preferred Stock or any other series of Pari Passu Preferred that has comparable voting rights are in default (whether or not declared or consecutive), the number of directors of the Company shall be increased by two and the holders of all outstanding series of Preferred Stock and such Pari Passu Preferred (whether or not dividends thereon are in default), voting as a single class without regard to series, will be entitled to elect the two additional directors until all dividends in default have been paid or declared and set apart for payment. The holders of Preferred Stock and such Pari Passu Preferred may exercise such special class voting rights at meetings of the stockholders for the election of directors or, under certain circumstances, at special meetings for the purpose of electing such directors, in either case at which the holders of not less than one-third of the aggregate number of shares of Preferred Stock and such Pari Passu Preferred are present in person or by proxy.

The affirmative vote of the holders of at least two-thirds of the outstanding Pari Passu Preferred, voting as a single class without regard to series, will be required (i) for any amendment of the

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Certificate of Incorporation that will adversely affect the preferences, rights or voting powers of the Pari Passu Preferred, but, in any case in which one or more, but not all, series of Pari Passu Preferred would be so affected as to their preferences, rights or voting powers, only the consent of the holders of at least two-thirds of the shares of each series that would be so affected, voting separately as a class, shall be required or (ii) to issue any class of stock that shall have preference as to dividends or distribution of assets over any outstanding Pari Passu Preferred.

DESCRIPTION OF PREFERRED WARRANTS

The Company may issue, together with other securities or separately, Preferred Warrants for the purchase of Preferred Stock. The Preferred Warrants are to be issued under Preferred Warrant Agreements (each a "Preferred Warrant Agreement") to be entered into between the Company and a bank or trust company, as preferred warrant agent (the "Preferred Warrant Agent"), all as set forth in the Prospectus Supplement relating to Preferred Warrants in respect of which this Prospectus is being delivered. A copy of the form of Preferred Warrant Agreement, including the form of Warrant Certificates representing the Preferred Warrants (the "Preferred Warrant Certificates") reflecting the provisions to be included in the Preferred Warrant Agreements that will be entered into with respect to particular offerings of Preferred Warrants, is filed as an exhibit to the Registration Statement. The following summaries of certain provisions of the Preferred Warrant Agreement and the Preferred Warrant Certificates do not purport to be complete and are subject to, and are qualified in their entirety

by reference to, all the provisions of the Preferred Warrant Agreement and the Preferred Warrant Certificates, respectively, including the definitions therein of certain capitalized terms not defined herein.

GENERAL

Reference is made to the Prospectus Supplement for the terms of Preferred Warrants in respect of which this Prospectus is being delivered, the Preferred Warrant Agreement relating to such Preferred Warrants and the Preferred Warrant Certificates representing such Preferred Warrants, including the following: (1) the offering price of such Preferred Warrants, if any; (2) the designation and terms of the Preferred Stock purchasable upon exercise of such Preferred Warrants and the procedures and conditions relating to the exercise of such Preferred Warrants; (3) the number of shares of Preferred Stock purchasable upon exercise of each Preferred Warrant and the initial price at which such shares may be purchased upon exercise; (4) the date on which the right to exercise such Preferred Warrants shall commence and the date on which such right shall expire (the "Preferred Warrant Expiration Date"); (5) a discussion of federal income tax considerations applicable to the exercise of Preferred Warrants; (6) call provisions of such Preferred Warrants, if any; and (7) any other terms of the Preferred Warrants. The shares of Preferred Stock issuable upon the exercise of the Preferred Warrants will, when issued in accordance with the Preferred Warrant Agreement, be fully paid and nonassessable.

Prior to the exercise of their Preferred Warrants, holders of Preferred Warrants will not, solely by virtue of such holdings, have any of the rights of holders of the Preferred Stock purchasable upon such exercise, and will not be entitled to any dividend payments on the Preferred Stock purchasable upon such exercise.

EXERCISE OF PREFERRED WARRANTS

Each Preferred Warrant will entitle the holder to purchase for cash such number of shares of Preferred Stock at such exercise price as shall in each case be set forth in, or be determinable as set forth in, the Prospectus Supplement relating to the Preferred Warrants offered thereby. Unless otherwise specified in the applicable Prospectus Supplement, Preferred Warrants may be exercised at any time up to the close of business on the Preferred Warrant Expiration Date set forth in the applicable Prospectus Supplement. After the close of business on the Preferred Warrant Expiration Date, unexercised Preferred Warrants will become void.

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Preferred Warrants may be exercised as set forth in the Prospectus Supplement relating to the Preferred Warrants in respect of which this Prospectus is being delivered. Upon receipt of payment and the Preferred Warrant Certificates properly completed and duly executed at the corporate trust office of the Preferred Warrant Agent or any other office indicated in the Prospectus Supplement, the Company will, as soon as practicable, forward a certificate representing the number of shares of Preferred Stock purchasable upon such exercise. If less than all of the Preferred Warrants represented by such Preferred Warrant Certificates are exercised, a new Warrant Certificate will be issued for the remaining amount of Preferred Warrants.

DESCRIPTION OF CURRENCY WARRANTS

The Company may issue, together with Debt Securities or Debt Warrants or separately, Currency Warrants either in the form of Currency Put Warrants entitling the holders thereof to receive from the Company the Cash Settlement Value in U.S. dollars of the right to sell a specified amount of a specified foreign currency or currency units for a specified amount of U.S. dollars, or in the form of Currency Call Warrants entitling the holders thereof to receive from the Company the Cash Settlement Value in U.S. dollars of the right to purchase a specified amount of a specified foreign currency or currency units for a specified amount of U.S. dollars. The spot exchange rate of the applicable Base Currency, upon exercise, as compared to the U.S. dollar, will determine whether the Currency Warrants have a Cash Settlement Value on any given day prior to

their expiration.

The Currency Warrants are to be issued under a Currency Warrant Agreement to be entered into between the Company and a bank or trust company, as currency warrant agent (the "Currency Warrant Agent"), all as set forth in the applicable Prospectus Supplement. A copy of the form of Currency Warrant Agreement, including the forms of global Warrant Certificates representing the Currency Put Warrants and Currency Call Warrants (the "Currency Warrant Certificates"), reflecting the provisions to be included in the Currency Warrant Agreement that will be entered into with respect to particular offerings of Currency Warrants, is filed as an exhibit to the Registration Statement. The description of the Currency Warrants contained herein and the following summaries of certain provisions of the Currency Warrant Agreement and the Currency Warrant Certificates do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all the provisions of the Currency Warrant Agreement and the Currency Warrant Certificates, respectively, including the definitions therein of certain capitalized terms not defined herein.

GENERAL

Reference is made to the Prospectus Supplement for the terms of Currency Warrants in respect of which this Prospectus is being delivered, the Currency Warrant Agreement relating to such Currency Warrants and the Currency Warrant Certificates representing such Currency Warrants, including the following: (1) whether such Currency Warrants will be Currency Put Warrants, Currency Call Warrants, or both; (2) the formula for determining the Cash Settlement Value, if any, of each Currency Warrant; (3) the procedures and conditions relating to the exercise of such Currency Warrants; (4) the circumstances which will cause the Currency Warrants to be deemed to be automatically exercised; (5) any minimum number of Currency Warrants which must be exercised at any one time, other than upon automatic exercise; and (6) the date on which the right to exercise such Currency Warrants will commence and the date on which such right will expire (the "Currency Warrant Expiration Date").

BOOK-ENTRY PROCEDURES AND SETTLEMENT

Except as may otherwise be provided in the applicable Prospectus Supplement, the Currency Warrants will be issued in the form of global Currency Warrant Certificates, registered in the name of the depository or its nominee. Holders will not be entitled to receive definitive certificates representing Currency Warrants. A holder's ownership of a Currency Warrant will be recorded on or through the records of the brokerage firm or other entity that maintains such holder's account. In turn, the total number of Currency Warrants held by an individual brokerage firm for its clients will be

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maintained on the records of the depository in the name of such brokerage firm or its agent. Transfer of ownership of any Currency Warrant will be effected only through the selling holder's brokerage firm.

EXERCISE OF CURRENCY WARRANTS

Each Currency Warrant will entitle the holder to receive the Cash Settlement Value of such Currency Warrant on the applicable Exercise Date, in each case as such terms will be defined in the applicable Prospectus Supplement. If not exercised prior to 3:00 P.M., New York City time, on the fifth New York Business Day preceding the Currency Warrant Expiration Date, Currency Warrants will be deemed automatically exercised on the Currency Warrant Expiration Date.

PLAN OF DISTRIBUTION

GENERAL

The Company may sell the Securities to or through underwriters or dealers, and may also sell the Securities directly to one or more other purchasers or through agents. It is anticipated that such underwriters or agents will consist of Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated

acting alone or as representative of a group of underwriters. The Prospectus Supplement with respect to a particular series of Securities will set forth the terms of the offering of such Securities, including the name or names of any underwriters, dealers or agents, the purchase price of such Securities and the proceeds to the Company from such sale, any underwriting discounts and other items constituting underwriters' compensation, any initial public offering price and any discounts, commissions or concessions allowed or reallocated or paid to dealers, and any bidding or auction process. Any initial offering price and any discounts, commissions or concessions allowed or reallocated or paid to dealers may be changed from time to time.

If underwriters are used in an offering of a particular series of Securities, such Securities will be acquired by the underwriters for their own account. The Securities may be sold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The Securities may be offered to the public either through underwriting syndicates represented by one or more managing underwriters or directly by one or more of such firms. The specific managing underwriter or underwriters, if any, will be set forth in the Prospectus Supplement relating to a particular series of Securities together with the members of the underwriting syndicate, if any. Unless otherwise set forth in the Prospectus Supplement relating to a particular series of Securities, the obligations of the underwriters to purchase such series of Securities will be subject to certain conditions precedent and each of the underwriters with respect to such series of Securities will be obligated to purchase all of the Securities of such series if any such Securities are purchased.

The Securities may be offered and sold directly by the Company or through agents designated by the Company from time to time. The Prospectus Supplement will set forth the name of any agent involved in the offer or sale of the Securities in respect of which the Prospectus Supplement is delivered and any commissions payable by the Company to such agent. Unless otherwise indicated in the Prospectus Supplement, any such agent is acting on a best efforts basis for the period of its appointment.

Any underwriters, dealers or agents participating in the distribution of the Securities may be deemed to be underwriters and any discounts or commissions received by them on the sale or resale of the Securities may be deemed to be underwriting discounts and commissions under the Securities Act. Agents, dealers and underwriters may be entitled, under agreements entered into with the Company, to indemnification by the Company against certain liabilities, including liabilities under the Securities Act, and to contribution with respect to payments which the agents, dealers or underwriters may be required to make in respect thereof. Agents, dealers and underwriters may engage in transactions with or perform services for the Company in the ordinary course of business. It is not anticipated that any of the Securities will be listed on a national securities exchange. No assurance can be given that

any broker-dealer will make a market in any series or issuance of Securities, and, in any event, no assurance can be given as to the liquidity of the trading market for any of the Securities. The Prospectus Supplement will state, if known, whether or not any broker-dealer intends to make a market in the Securities in respect of which such Prospectus Supplement is delivered. If no such determination has been made, the Prospectus Supplement will so state.

DELAYED DELIVERY ARRANGEMENTS

If so indicated in the Prospectus Supplement relating to a particular series of Securities, the Company will authorize underwriters, dealers or agents to solicit offers by certain institutions to purchase Securities of such series from the Company pursuant to delayed delivery contracts providing for payment and delivery on a future date. Institutions with which such contracts may be made include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions and others, but in all cases will be subject to the approval of the Company. The obligations of any

purchaser under any such contract will be subject to the condition that the purchase of the Securities shall not at the time of delivery be prohibited under the laws of the jurisdiction to which such purchaser is subject. The underwriters, dealers and agents will not have any responsibility in respect of the validity or performance of such contracts.

EXPERTS

The consolidated financial statements and related schedules of the Company incorporated by reference or included in the Company's Annual Report (Form 10-K) for the year ended January 1, 1994 have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their report with respect thereto, and are included herein by reference in reliance upon such report of said firm and upon such authority of such firm as experts in accounting and auditing.

LEGAL OPINIONS

The validity of the Securities will be passed upon for the Company by Grippio & Elden, 227 West Monroe Street, Suite 3600, Chicago, IL 60606, and for the agents or underwriters, if any, by Skadden, Arps, Slate, Meagher & Flom, 333 West Wacker Drive, Suite 2100, Chicago, IL 60606. Skadden, Arps, Slate, Meagher & Flom has from time to time acted as counsel in certain matters to the Company.

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NO DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS IN CONNECTION WITH THE OFFERING MADE BY THIS PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR BY THE UNDERWRITER[S]. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE THEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OR SOLICITATION BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO OR TO ANYONE TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

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\$300,000,000

SNAP-ON INCORPORATED

DEBT SECURITIES, DEBT
WARRANTS, PREFERRED
STOCK, PREFERRED WARRANTS
AND CURRENCY WARRANTS

PROSPECTUS

[UNDERWRITERS]

[, 1994]

- - - - -
- - - - -

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

Securities and Exchange Commission filing fee.....	\$103,448.10
Rating Agency fees.....	120,000.00*
Trustee's fees and expenses.....	8,500.00*
Blue sky fees and expenses (including counsel fees).....	20,000.00*
Printing and engraving expenses.....	10,000.00*
Accountants' fees and expenses.....	2,500.00*
Legal fees and expenses.....	65,000.00*
Miscellaneous.....	20,551.90*

Total.....	\$350,000.00

- - - - -
* Estimated

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the Delaware General Corporation Law permits corporations to indemnify directors and officers. The statute generally requires that to obtain indemnification the director or officer must have acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the corporation; and, additionally, in criminal proceedings, that the officer or director had no reasonable cause to believe his conduct was unlawful. In any proceeding by or in the right of the corporation, no indemnification may be provided if the director or officer is adjudged liable to the corporation (unless ordered by the court). Indemnification against expenses actually and reasonably incurred by a director or officer is required to the extent that such director or officer is successful on the merits in the defense of the proceeding. The Company's Bylaws provide generally for indemnification, to the fullest extent permitted by Delaware law, of a director and officer who was or is a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he is or was a director or officer of the Company or was serving at the request of the Company as a director, officer, employee or agent of certain other related entities. The Bylaws provide that the

indemnification will cover all costs, charges, expenses, liabilities and losses reasonably incurred by the director or officer. The Bylaws further provide that a director or officer has the right to be paid expenses incurred in defending a proceeding, except the amount of any settlement, in advance of its final disposition upon receipt by the Company of an undertaking from the director or officer to repay the advances if it is ultimately determined that he is not entitled to indemnification.

The Company has entered into Indemnification Agreements with its directors. The Indemnification Agreements provide generally that the Company must promptly advance the director all reasonable costs of defending against litigation. However, no indemnification will be made under the Agreement if the director is found liable for willful misconduct, unless the court finds that the nature of the conduct is such that the director is fairly and reasonably entitled to indemnification. The advance is subject to repayment if stockholders, legal counsel, a quorum of disinterested directors or a panel of three arbitrators find that the director has not met the required standards of conduct.

The directors and officers of the Company are also covered by insurance policies indemnifying them (subject to certain limits and exclusions) against certain liabilities, including certain liabilities arising under the Securities Act of 1933, as amended, which might be incurred by them in such capacities and against which they cannot be indemnified by the Company.

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ITEM 16. EXHIBITS.

EXHIBIT NUMBER	DESCRIPTION
1	Form of Underwriting Agreement for Debt Securities, Debt Warrants, Preferred Stock, Preferred Warrants and Currency Warrants
4(a)	Form of Indenture between the Company and Firststar Trust Company, as Trustee
4(b)	Form of Note
4(c)	Form of Debt Warrant Agreement
4(d)	Form of Debt Warrant Certificate, included in Exhibit 4(c)
4(e)	Form of Preferred Warrant Agreement
4(f)	Form of Preferred Warrant Certificate, included in Exhibit 4(e)
4(g)	Form of Currency Warrant Agreement
4(h)	Form of Currency Warrant Certificate, included in Exhibit 4(g)
*4(i)	Restated Certificate of Incorporation, as amended
4(j)	Amended and Restated Bylaws
5	Opinion of Grippo & Elden
12	Computation of Ratio of Earnings to Fixed Charges
23(a)	Consent of Arthur Andersen LLP
23(b)	Consent of Grippo & Elden, included in Exhibit 5
24	Powers of Attorney (See Signature Pages)
25	Statement of Eligibility of Trustee on Form T-1

* To be filed by amendment.

ITEM 17. UNDERTAKINGS.

The undersigned Registrant hereby undertakes:

(1) to file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement: (i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933, as amended (the "Securities Act of 1933"); (ii) to reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement; and (iii) to include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement; provided, however, that clauses (1)(i) and (1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended (the "Securities Exchange Act of 1934"), that are

incorporated by reference in this Registration Statement; (2) that for the purposes of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof; (3) to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering; (4) for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in this Registration Statement shall be deemed to be a new Registration Statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof; (5) insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the provisions described above in Item 15 or otherwise, the Registrant has been advised that in the opinion of the Securities

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and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue; (6) for purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act of 1933 shall be deemed to be part of this Registration Statement as of the time it was declared effective; (7) for the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof; (8) if securities are to be offered pursuant to competitive bidding, to use its best efforts to distribute prior to the opening of bids, to prospective bidders, underwriters and dealers, a reasonable number of copies of a prospectus which at that time meets the requirements of Section 10(a) of the Securities Act of 1933, and relating to the securities offered at competitive bidding, as contained in the registration statement, together with any supplements thereto; and (9) to file an amendment to the registration statement reflecting the results of bidding, the terms of the reoffering and related matters to the extent required by the applicable form, not later than the first use, authorized by the issuer after the opening of bids, of a prospectus relating to the securities offered at competitive bidding, unless no further public offering of such securities by the issuer and no reoffering of such securities by the purchasers is proposed to be made.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Snap-on Incorporated certifies that it has reasonable grounds to believe that it meets all the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Kenosha, State of Wisconsin, on September 23, 1994.

SNAP-ON INCORPORATED

By: /s/ ROBERT A. CORNOG

Its: Chairman of the Board, President
and Chief Executive Officer

Each person whose signature appears below hereby constitutes and appoints Robert A. Cornog, Michael F. Montemurro and Susan F. Marrinan and each of them severally, acting alone and without the other, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any or all amendments to this Registration Statement and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or their substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities indicated on September 23, 1994.

SIGNATURES	CAPACITY

/s/ ROBERT A. CORNOG ----- Robert A. Cornog	Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer)
/s/ MICHAEL F. MONTEMURRO ----- Michael F. Montemurro	Senior Vice President-Administration (Principal Financial Officer)
/s/ GREGORY D. JOHNSON ----- Gregory D. Johnson	Controller (Principal Accounting Officer)
/s/ JAY H. SCHNABEL ----- Jay H. Schnabel	Director
/s/ RAYMOND F. FARLEY ----- Raymond F. Farley	Director
/s/ ARTHUR L. KELLY ----- Arthur L. Kelly	Director

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SIGNATURES	CAPACITY

/s/ ROXANNE J. DECYK ----- Roxanne J. Decyk	Director
/s/ BRUCE S. CHELBERG ----- Bruce S. Chelberg	Director
/s/ GEORGE W. MEAD ----- George W. Mead	Director
/s/ EDWARD H. RENSI ----- Edward H. Rensi	Director
/s/ DONALD W. BRINCKMAN ----- Donald W. Brinckman	Director

INDEX TO EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
1	Form of Underwriting Agreement for Debt Securities, Debt Warrants, Preferred Stock, Preferred Warrants and Currency Warrants
4(a)	Form of Indenture between the Company and Firststar Trust Company, as Trustee
4(b)	Form of Note
4(c)	Form of Debt Warrant Agreement
4(d)	Form of Debt Warrant Certificate, included in Exhibit 4(c)
4(e)	Form of Preferred Warrant Agreement
4(f)	Form of Preferred Warrant Certificate, included in Exhibit 4(e)
4(g)	Form of Currency Warrant Agreement
4(h)	Form of Currency Warrant Certificate, included in Exhibit 4(g)
*4(i)	Restated Certificate of Incorporation, as amended
4(j)	Amended and Restated Bylaws
5	Opinion of Grippo & Elden
12	Computation of Ratio of Earnings to Fixed Charges
23(a)	Consent of Arthur Andersen LLP
23(b)	Consent of Grippo & Elden, included in Exhibit 5
24	Powers of Attorney (See Signature Pages)
25	Statement of Eligibility of Trustee on Form T-1

<FN>

 * To be filed by amendment.

[Form of Underwriting Agreement]

SNAP-ON INCORPORATED
(a Delaware corporation)

[Title of Securities]

TERMS AGREEMENT

Snap-on Incorporated
2801-80th Street
Kenosha, Wisconsin 53141-1410

Dated: _____, ____', _____

Attention:

Ladies and Gentlemen:

We (the "Representative") understand that Snap-on Incorporated, a Delaware corporation (the "Company"), proposes to issue and sell the Securities set forth below (the "Underwritten Securities"). Subject to the terms and conditions set forth or incorporated by reference herein, the underwriters named below (the "Underwriters") offer to purchase, severally and not jointly, the respective amounts of Underwritten Securities set forth below opposite their respective names at the [respective] purchase price[s] set forth below.

Underwriter -----	[Principal Amount of Debt Securities -----	[Number of Debt Warrants] [Shares of Preferred Stock] [Number of Preferred Warrants] [Number of Currency Warrants] -----
	-----	-----
Total	\$ _____]	\$ _____]
	-----	-----
	-----	-----

The Underwritten Securities shall have the following terms:

[Debt Securities
Title of Debt Securities:

Currency:
Principal amount to be issued:
Current ratings: Moody's Investors Service, Inc.-- ;
Standard & Poor's Corporation-- .
Interest rate or formula: %
Interest payment dates:
Date of maturity:
Redemption provisions:
Sinking fund requirements:
Delayed Delivery Contracts: [authorized] [not authorized]
[Date of delivery:
Minimum contract:
Maximum aggregate principal amount:
Fee: %]
[Initial public offering price: %, plus accrued interest, if any, or amortized
original issue discount, if any, from , 199 .]
Purchase price: %, plus accrued interest, if any, or amortized original issue
discount, if any, from , 199 (payable in next day funds.)
Other terms:
[Closing date and location:]]

[Debt Warrants
Number of Debt Warrants to be issued:
Debt Warrant Agent:
Issuable jointly with Debt Securities: [Yes] [No]
[Number of Debt Warrants issued
with each \$ principal amount of
Debt Securities:
Detachable data:]
Date from which Debt Warrants are exercisable:
Date on which Debt Warrants expire:
Exercise price(s) of Debt Warrants:
Initial public offering price: \$
Purchase price: \$
Title of Warrant Securities:
Principal amount purchasable upon exercise of one Debt Warrant:
Interest rate: Payable:
Date of maturity:
Redemption provisions:

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Sinking fund requirements:
[Delayed Delivery Contracts: [authorized] [not authorized]
[Date of delivery:
Minimum contract:
Maximum amount:
Fee: %]
Other terms:
[Closing date and location:]]

[Preferred Stock

Title of Securities:
Current Ratings:
Dividend Rate: [\$] [%]. Payable:
Stated Value:
Liquidation Preference:
Ranking:
Public offering price per share: \$, plus accumulated dividends, if any,
from , 19 .
Purchase price per share: \$, plus accumulated dividends, if any
from , 19 .
Additional co-managers, if any:
Redemption provisions:

Sinking fund requirements:
Number of Option Securities, if any, that may be purchased by the Underwriters:
Delayed Delivery Contracts: [authorized] [not authorized]
[Date of Delivery:
Minimum Contract:
Maximum number of Shares:
Fee:]
Other terms:
[Closing date and location:]]

[Preferred Warrants

Number of Preferred Warrants to be issued:
Preferred Warrant Agent:
Issuable jointly with Preferred Stock: [Yes] [No]
[Number of Preferred Warrants issued with each
share of Preferred Stock:
Detachable Data:]
Date from which Preferred Warrants are exercisable:
Date on which Preferred Warrants expire:
Exercise Price of Preferred Warrants:

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Initial Public Offering Price: \$
Purchase Price: \$
Delayed Delivery Contracts: [authorized] [not authorized]
[Date of delivery:
Minimum contract:
Maximum amount:
Fee: %]
Other Terms:
[Closing Date and Location:]]

[Currency Warrants

Type of Currency Warrants to be issued:
Number of Currency Warrants to be issued:
Currency Warrant Agent:
[Formula for determining Cash Settlement Value:]
Exercise Terms:
Date on which Currency Warrants expire:
Initial Public Offering Price: \$
Purchase Price: \$_____
Delayed Delivery Contracts: [authorized] [not authorized]
[Date of delivery:
Minimum contract:
Maximum amount:
Fee: %]
Other Terms:
[Closing Date and Location:]]

All the provisions contained in the document attached as Annex A hereto entitled "Snap-on Incorporated--Debt Securities, Debt Warrants, Preferred Stock, Preferred Warrants and Currency Warrants-Underwriting Agreement Basic Provisions" are hereby incorporated by reference in their entirety herein and shall be deemed to be a part of this Terms Agreement to the same extent as if such provisions had been set forth in full herein. Terms defined in such document are used herein as therein defined.

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Please accept this offer no later than o'clock P.M. (New York City time) on by signing a copy of this Terms Agreement in the space set forth below and returning the signed copy to us.

Very truly yours,

[Name of Representative]

By

Name:

Title:

Acting on behalf of itself and the other
named Underwriters

Accepted:

SNAP-ON INCORPORATED

By

Name:

Title:

ANNEX A

SNAP-ON INCORPORATED
(a Delaware corporation)

Debt Securities, Debt Warrants, Preferred Stock,
Preferred Warrants and Currency Warrants

UNDERWRITING AGREEMENT BASIC PROVISIONS

Snap-on Incorporated, a Delaware corporation (the "Company"), proposes to issue and sell, from time to time in one or more offerings and on terms and in the respective amounts to be determined at the time of sale, its senior debt securities (the "Debt Securities"), warrants to purchase Debt Securities (the "Debt Warrants"), preferred stock, par value \$1.00 per share (the "Preferred Stock"), warrants to purchase Preferred Stock (the "Preferred Warrants") or currency warrants (the "Currency Warrants"). As used herein, "Securities" shall mean the Debt Securities, Debt Warrants, Preferred Stock, Preferred Warrants, Currency Warrants or any combination thereof; and "Warrant Securities" shall mean the Debt Securities or Preferred Stock issuable upon exercise of Debt Warrants or Preferred Warrants, respectively. The Debt Warrants may be offered together with Debt Securities or separately. The Preferred Warrants may be offered together with Preferred Stock or separately.

The Debt Securities will be issued under an indenture dated as of _____, 1994 (the "Indenture") between the Company and Firststar Trust Company, as trustee (the "Trustee"). The Debt Warrants, Preferred Warrants and Currency Warrants will be issued under one or more warrant agreements (each a "Debt Warrant Agreement," "Preferred Warrant Agreement" or Currency Warrant Agreement," respectively), between the Company and the warrant agent identified therein (each a "Warrant Agent"). The terms and rights of any particular issue of Securities shall be as specified in the Terms Agreement (as defined below) relating thereto and in or pursuant to the Indenture, Debt Warrant Agreement, Preferred Warrant Agreement or Currency Warrant Agreement or, with respect to the

Preferred Stock, the Restated Certificate of Incorporation, as amended, of the Company (including the Certificate of Designation with respect to any Preferred Stock (the "Certificate of Designation")) (the "Certificate of Incorporation"), as the case may be (each a "Securities Agreement"). Each issue of Securities may vary, as applicable, as to aggregate principal amount, number of shares or warrants, maturity date, duration and exercise price of warrants, interest or dividend rate or formula and timing of payments thereof, redemption provisions and sinking fund requirements, if any, and any other variable terms which the applicable Securities Agreement contemplates may be set forth in the Securities as issued from time to time.

This is to confirm the arrangements with respect to the purchase of Securities (the "Underwritten Securities") from the Company by the Representative and the several Underwriters listed in the applicable terms agreement entered into between the Representative and the Company to which this Underwriting Agreement is attached as Annex A (the "Terms Agreement"). With respect to any particular Terms Agreement, the Terms Agreement, together with the provisions hereof incorporated therein by reference, is herein referred to as the "Agreement." Terms defined in the Terms Agreement are used herein as therein defined.

The Company meets the requirements for the use of Form S-3 under the Securities Act of 1933, as amended (the "1933 Act"), and has filed with the Securities and Exchange Commission (the "Commission") a registration statement on Form S-3 (No. 33-) for the registration of the Securities and the offering thereof from time to time in accordance with Rule 415 under the 1933 Act, and has filed such amendments thereto as may have been required to the date of the Terms Agreement. Such registration statement, as amended, has been declared effective by the Commission, and the Indenture has been qualified under the Trust Indenture Act of 1939, as amended (the "1939 Act"). Such registration statement, as amended, including all documents incorporated therein by reference and the information deemed to be part of the registration statement pursuant to Rule 430A of the 1933 Act Regulations (defined below), as from time to time amended pursuant to the 1933 Act, the Securities Exchange Act of 1934, as amended (the "1934 Act"), or otherwise,

is referred to herein as the "Registration Statement." The prospectus contained in the Registration Statement at its effective date, including any Preliminary Prospectus Supplement (as defined below) is herein referred to as the "Basic Prospectus." Any preliminary prospectus supplement to the Basic Prospectus which describes the Underwritten Securities and the offering thereof and is used prior to the filing of the Prospectus (as defined below) is herein referred to as a "Preliminary Prospectus Supplement." The prospectus supplement relating to the sale of Underwritten Securities, in the form first filed pursuant to Rule 424(b) of the 1933 Act after the execution of the Terms Agreement (a "Prospectus Supplement"), together with the Basic Prospectus, or, if no filing is required pursuant to said Rule 424(b), the form of prospectus relating to the Underwritten Securities, including the Basic Prospectus, is referred to herein as the "Prospectus"; provided, however, that a Prospectus Supplement shall be deemed to have supplemented the Prospectus only with respect to the offering of Underwritten Securities to which it relates. All references in this Agreement to financial statements and schedules and other information which is "contained," "included" or "stated" in the Registration Statement or the Prospectus (and all other references of like import) shall be deemed to mean and include all such financial statements and schedules and other information which is or is deemed to be incorporated by reference in the Registration Statement or the Prospectus, as the case may be; and all references in this Agreement to amendments or supplements to the Registration Statement, the Basic Prospectus, any Preliminary Prospectus Supplement or the Prospectus shall be deemed to mean

and include the filing of any document under the 1934 Act which is or is deemed to be incorporated by reference in the Registration Statement, the Basic Prospectus, any Preliminary Prospectus Supplement or the Prospectus, as the case may be.

SECTION 1. REPRESENTATIONS AND WARRANTIES.

(a) The Company represents and warrants to the Representative and to each Underwriter named in a Terms Agreement as of the date thereof (the "Representation Date"), as follows:

(i) At the time the Registration Statement became effective, the Registra-

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tion Statement complied, and as of each applicable Representation Date, will comply, in all material respects with the requirements of the 1933 Act and the rules and regulations of the Commission thereunder (the "1933 Act Regulations") and the 1939 Act and the rules and regulations of the Commission thereunder (the "1939 Act Regulations"). The Registration Statement, at the time the Registration Statement became effective, did not, and at each time thereafter at which any amendment becomes effective and as of the applicable Representation Date, will not, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading. The Basic Prospectus, as of its date, and the Prospectus, as of the applicable Representation Date, did not, and at the Closing Time referred to in Section 2 hereof, will not, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that the representations and warranties in this subsection shall not apply to statements in or omissions from the Registration Statement or Prospectus made in reliance upon and in conformity with information furnished to the Company in writing by any Underwriter through the Representative expressly for use in the Registration Statement or Prospectus or to that part of the Registration Statement which constitutes the Statement of Eligibility and Qualification under the 1939 Act on Form T-1 (the "Form T-1") of the Trustee under the Indenture.

(ii) Arthur Andersen LLP, which has certified certain financial statements of the Company included in the Registration Statement, are independent public ac-

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countants as required by the 1933 Act and the 1933 Act Regulations.

(iii) The financial statements included in the Registration Statement and the Prospectus present fairly the financial position of the Company and its consolidated subsidiaries as at the dates indicated and the results of their operations for the periods specified; except as otherwise stated in the Registration Statement, said financial statements have been prepared in conformity with generally accepted accounting principles applied on a consistent basis during the periods involved; the supporting schedules contained in the Registration Statement present fairly the information required to be stated therein; and the Company's ratios of earnings to fixed charges (actual and, if any, pro

forma) included in the Prospectus under the captions "Ratio of Earnings to Fixed Charges" and in Exhibit 12 to the Registration Statement have been calculated in compliance with Item 503(d) of Regulation S-K of the Commission.

(iv) The documents incorporated or deemed to be incorporated by reference in the Prospectus, at the time they were or hereafter are filed with the Commission, complied and will comply in all material respects with the requirements of the 1934 Act and the rules and regulations of the Commission thereunder (the "1934 Act Regulations"), and, when read together and with the other information in the Prospectus, at the time the Registration Statement became effective and at the time any amendments thereto become effective or thereafter during the period specified in Section 3(b) hereof, did not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the

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light of the circumstances under which they were made, not misleading.

(v) Since the respective dates as of which information is given in the Registration Statement and the Prospectus, except as otherwise stated therein: (A) there has been no material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business (a "Material Adverse Change"), (B) there have been no transactions entered into by the Company or any of its subsidiaries, other than those in the ordinary course of business, which are material with respect to the Company and its subsidiaries considered as one enterprise and (C) except for regular quarterly dividends on the Company's common stock, par value \$1.00 per share (the "Common Stock"), in amounts per share that are consistent with past practice, there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock.

(vi) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware with corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Prospectus; and the Company is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to so qualify would not have a material adverse effect on the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Com-

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pany and its subsidiaries considered as one enterprise (a "Material Adverse Effect").

(vii) Each subsidiary of the Company which is a significant subsidiary as defined in Rule 405 of the 1933 Act Regulations (collectively, the "Significant Subsidiaries" and individually, a "Significant Subsidiary") has been duly incorporated and is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has corporate power and

authority to own, lease and operate its properties and to conduct its business as described in the Prospectus; each such Significant Subsidiary is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to so qualify would not have a Material Adverse Effect; and all of the issued and outstanding shares of capital stock of each such Significant Subsidiary have been duly authorized and validly issued, are fully paid and non-assessable and are owned by the Company, directly or through subsidiaries (other than directors' qualifying shares with respect to certain of the Company's non-United States subsidiaries as required by law), free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity.

(viii) The authorized, issued and outstanding capital stock of the Company is as set forth in the Prospectus; and all of the issued and outstanding shares of capital stock of the Company have been duly authorized and validly issued and are fully paid and non-assessable.

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(ix) Neither the Company nor any of its Significant Subsidiaries is in violation of its charter or by-laws; and neither the Company nor any of its Significant Subsidiaries is in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, loan agreement, note, lease or other agreement or instrument to which the Company or any of its Significant Subsidiaries is a party or by which any of them may be bound, or to which any of the property or assets of the Company or any of its Significant Subsidiaries is subject, except where such default would not have a Material Adverse Effect; and the execution, delivery and performance of this Agreement, the applicable Securities Agreement and the Securities and the consummation of the transactions contemplated herein and therein, have been duly authorized by all necessary corporate action and will not conflict with or constitute a breach of, or a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its Significant Subsidiaries pursuant to, any contract, indenture, mortgage, loan agreement, note, lease or other agreement or instrument to which the Company or any of its Significant Subsidiaries is a party or by which any of them may be bound, or to which any of the property or assets of the Company or any of its Significant Subsidiaries is subject, nor will such action result in any violation of the provisions of the charter or by-laws of the Company or any of its Significant Subsidiaries or any applicable law, administrative regulation or court decree.

(x) The Underwritten Securities have been duly authorized for issuance and sale by the Company pursuant to this Agreement (or will have been so authorized prior to

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each issuance of Underwritten Securities) and, when issued, authenticated and delivered pursuant to the provisions of this Agreement and the applicable Securities Agreement against payment of the consideration therefor in accordance with this Agreement, any Underwritten Securities constituting capital stock of the Company will be validly issued and fully paid and non-assessable

and any other Underwritten Securities will be valid and binding obligations of the Company, in each case entitled to the benefits of the applicable Securities Agreement and enforceable in accordance with their terms; and the Warrant Securities, if any, have been duly authorized by the Company and, when executed and authenticated as specified in the applicable Securities Agreement, and delivered against payment pursuant to such Securities Agreement, any Warrant Securities constituting capital stock of the Company will be validly issued and fully paid and non-assessable and any other Warrant Securities will be valid and binding obligations of the Company, in each case entitled to the benefits of the applicable Securities Agreement and enforceable in accordance with their terms.

(xi) The applicable Securities Agreement has been duly authorized, executed and delivered by the Company and, in the case of the Certificate of Designation, has been filed with the Secretary of State of the State of Delaware and, in the case of the Indenture, has been duly qualified under the 1939 Act, and, assuming due authorization, execution and delivery by the Trustee, in the case of the Indenture, and the Warrant Agent, in the case of any Warrant Agreement, constitutes a valid and binding obligation of the Company, enforceable in accordance with its terms.

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(xii) The Underwritten Securities and the applicable Securities Agreement will conform in all material respects to the respective statements relating thereto contained in the Prospectus and will be in substantially the respective forms filed or incorporated by reference, as the case may be, as exhibits to the Registration Statement; and the issuance of the Underwritten Securities is not subject to preemptive or other similar rights.

(xiii) The Debt Securities rank and will rank on a parity with all unsecured indebtedness (other than subordinated indebtedness) of the Company that is outstanding on the date hereof or that may be incurred hereafter, and senior to all subordinated indebtedness of the Company that is outstanding on the date hereof or that may be incurred hereafter.

(xiv) There is no action, suit or proceeding before or by any court or governmental agency or body, domestic or foreign, now pending, or, to the knowledge of the Company, threatened, against or affecting the Company or any of its subsidiaries, which is required to be disclosed in the Registration Statement or which might result in a Material Adverse Effect (other than as disclosed in the Registration Statement) or which might materially and adversely affect the consummation of this Agreement; all pending legal or governmental proceedings to which the Company or any of its subsidiaries is a party or of which any of their respective property or assets is the subject which are not described in the Registration Statement, including ordinary routine litigation incidental to the business, are, considered in the aggregate, not material; and there are no contracts or documents of the Company or any of its subsidiaries which are required to be filed as exhibits to the Registration Statement by the 1933

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Act, the 1933 Act Regulations or the 1939 Act which have not been

so filed.

(xv) Each of the Company and its Significant Subsidiaries has good title to all properties owned by them, in each case free and clear of all liens, encumbrances and defects except (A) such as singly or in the aggregate do not materially interfere with the use made and proposed to be made of such properties, (B) as described in the Prospectus or (C) as singly or in the aggregate could not reasonably be expected to have a Material Adverse Effect.

(xvi) The Company and its Significant Subsidiaries own or possess, or can acquire on reasonable terms, the patents, patent rights, licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks and trade names (collectively, "patent and proprietary rights") presently employed by them in connection with the business now operated by them, except where the failure to so own or possess such patent and proprietary rights would not have a Material Adverse Effect, and neither the Company nor any of its Significant Subsidiaries has received any notice or is otherwise aware of any infringement of or conflict with asserted rights of others with respect to any patent or proprietary rights, or any facts which would render any patent and proprietary rights invalid or inadequate to protect the interest of the Company or any of its Significant Subsidiaries therein, and which infringement or conflict (if the subject of an unfavorable decision, ruling or finding) or invalidity or inadequacy, singly or in the aggregate, would result in a Material Adverse Effect.

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(xvii) No material labor dispute with the employees of the Company or any of its subsidiaries exists or, to the knowledge of the Company, is imminent; and the Company is not aware of any existing or imminent labor disturbance by the employees of any of its principal suppliers, manufacturers or contractors which might be expected to result in a Material Adverse Effect.

(xviii) No authorization, approval, consent or order of any court or governmental authority or agency is necessary in connection with the sale of the Underwritten Securities to the Underwriters hereunder, except such as may be required under the 1933 Act, the 1933 Act Regulations, the 1939 Act or state securities laws. Neither the Company nor any of its affiliates is presently "doing any business" with the government of Cuba or with any person or affiliate located in Cuba, as such term is defined by the Florida Department of Banking and Finance.

(xix) The Company and its Significant Subsidiaries possess such certificates, authorizations or permits issued by the appropriate state, federal or foreign regulatory agencies or bodies necessary to conduct the business now operated by them, except where the failure to so possess such certificates, authorizations or permits would not have a Material Adverse Effect, and neither the Company nor any of its subsidiaries has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would result in a Material Adverse Effect.

(xx) The Company and each of its subsidiaries maintain insurance policies or reserves with respect to such insurable

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properties, potential liabilities and occurrences that merit or require catastrophic insurance in amounts deemed adequate in the reasonable opinion of the Company's management; and all such insurance policies are in full force and effect.

(xxi) Neither the Company nor any of its subsidiaries has violated any environmental, safety or similar law or regulation applicable to its business relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("Environmental Laws"), lacks any permits, licenses or other approvals required of them under applicable Environmental Laws or is violating any terms and conditions of any such permit, license or approval, except in each case as could not have a Material Adverse Effect.

(xxii) Neither the Company nor any of its subsidiaries is, or as a result of the transactions contemplated by the Prospectus or any Securities Agreement would be, required to make any filing or to register under the Investment Company Act of 1940, as amended.

(b) Any certificate signed by any officer of the Company and delivered to the Representative or to counsel for the Underwriters in connection with an offering of Underwritten Securities shall be deemed a representation and warranty by the Company, as to the matters covered thereby, to each Underwriter participating in such offering.

SECTION 2. PURCHASE AND SALE. The obligations of the Underwriters to purchase, and the Company to sell, the Underwritten Securities shall be evidenced by the Terms Agreement. The Terms Agreement specifies the principal amount or number of Underwritten Securities, the names of the Underwriters participating in the offering (subject to substitution as provided in Section 10 hereof) and the principal amount or number of Underwrit-

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ten Securities which each Underwriter severally has agreed to purchase, the purchase price to be paid by the Underwriters for the Underwritten Securities, the initial public offering price, if any, of the Underwritten Securities, any delayed delivery arrangements and any terms of the Underwritten Securities not already specified in the Securities Agreement pursuant to which they are being issued (including, but not limited to, designations, denominations, current ratings, interest or dividend rates or formulas and payment dates, exercise prices, maturity dates, redemption provisions and sinking fund requirements). In addition, each Terms Agreement relating to any Preferred Stock shall specify whether the Company has agreed to grant to the Underwriters, an option to purchase additional Preferred Stock subject to such option (the "Option Securities"). As used herein, the term "Underwritten Securities" shall include all or any portion of the Option Securities agreed to be purchased by the Underwriters as provided herein, if any.

The several commitments of the Underwriters to purchase Underwritten Securities pursuant to the Terms Agreement shall be deemed to have been made on the basis of the representations and warranties herein contained and shall be subject to the terms and conditions herein set forth.

In addition, on the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company may grant, if so provided in the Terms Agreement relating to any Preferred Stock, an option to the Underwriters named in such Terms Agreement, severally and not jointly, to purchase up to the number of Option Securities set forth

therein at the same price per share as is applicable to the Preferred Stock. Such option, if granted, will expire 30 days or such lesser number of days as may be specified in the Terms Agreement after the Representation Date relating to the Preferred Stock, and may be exercised in whole or in part from time to time only for the purpose of covering over-allotments which may be made in connection with the offering and distribution of the Preferred Stock upon notice by the Representative to the Company setting forth the number of Option Securities as to which the several Underwriters are then exercising the option and the time and date of payment and delivery for such Option Securities. Any such time and date of deliv-

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ery (a "Date of Delivery") shall be determined by the Representative, but shall not be later than seven full business days and not earlier than two full business days after the exercise of said option, unless otherwise agreed upon by the Representative and the Company. If the option is exercised as to all or any portion of the Option Securities, each of the Underwriters, acting severally and not jointly, will purchase that proportion of the total number of Option Securities then being purchased which the number of shares of Preferred Stock each such Underwriter has agreed to purchase as set forth in the related Terms Agreement bears to the total number of shares of Preferred Stock, subject to such adjustments as the Representative in its discretion shall make to eliminate any sales or purchases of fractional shares.

Payment of the purchase price for, and delivery of, any Underwritten Securities to be purchased by the Underwriters shall be made at the office of Skadden, Arps, Slate, Meagher & Flom, 333 West Wacker Drive, Suite 2100, Chicago, Illinois 60606, or at such other place as shall be agreed upon by the Representative and the Company, at 10:00 A.M. New York City time, on the fifth business day (unless postponed in accordance with the provisions of Section 10 hereof) following the date of the Terms Agreement or such other time as shall be agreed upon by the Representative and the Company (each such time and date being referred to as a "Closing Time"); provided, however, that in the event that any or all of the Option Securities are purchased by the Underwriters, payment of the purchase price for, and delivery of certificates representing, such Option Securities, shall be made at the above-mentioned office of Skadden, Arps, Slate, Meagher & Flom, or at such other place as shall be agreed upon by the Representative and the Company, on each Date of Delivery as specified in the notice from the Representative to the Company. Payment shall be made to the Company by certified or official bank check or checks in New York Clearing House or similar next day funds payable to the order of the Company against delivery to the Representative for the respective accounts of the Underwriters of certificates for the Underwritten Securities to be purchased by them. Certificates for the Underwritten Securities shall be in such denominations and registered in such names as the Representative may request in writing at least two business days prior to the applicable Closing Time. The certificates for the Underwritten

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Securities, which may be in temporary form, will be made available for examination and packaging by the Representative on or before the first business day prior to Closing Time.

If authorized by the Terms Agreement, the Underwriters named therein may solicit offers to purchase Underwritten Securities from the Company pursuant to delayed delivery contracts ("Delayed Delivery Contracts") substantially in the form of Exhibit A hereto with such changes therein as the Company may approve. As compensation for arranging Delayed Delivery Contracts, the Company will pay to the Representative at Closing Time, for the accounts of the Underwriters, the fee specified in the Terms Agreement for each of the Underwritten Securities for which Delayed Delivery Contracts are made at Closing Time. Any Delayed Delivery Contracts are to be with institutional investors of the types set forth in the Prospectus Supplement. At Closing Time the Company will enter into Delayed Delivery Contracts (for not less than the minimum principal amount or number of

Underwritten Securities per Delayed Delivery Contract specified in the applicable Terms Agreement) with all purchasers proposed by the Underwriters and previously approved by the Company as provided below, but not for an aggregate principal amount or number of Underwritten Securities in excess of that specified in the Terms Agreement. The Underwriters will not have any responsibility for the validity or performance of Delayed Delivery Contracts.

The Representative shall submit to the Company, at least three business days prior to Closing Time, the names of any institutional investors with which it is proposed that the Company will enter into Delayed Delivery Contracts and the principal amount or number of Underwritten Securities, as the case may be, to be purchased by each of them, and the Company will advise the Representative, at least two business days prior to Closing Time, of the names of the institutions with which the making of Delayed Delivery Contracts is approved by the Company and the principal amount or number of Underwritten Securities, as the case may be, to be covered by each such Delayed Delivery Contract.

The principal amount or number of Underwritten Securities, as the case may be, agreed to be purchased by the respective Underwriters pursuant to the Terms Agree-

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ment shall be reduced by the principal amount or number of Underwritten Securities, as the case may be, covered by Delayed Delivery Contracts as to each Underwriter as set forth in a written notice delivered by the Representative to the Company; provided, however, that the total principal amount or number of Underwritten Securities, as the case may be, to be purchased by all Underwriters shall be the total amount or number of Underwritten Securities, as the case may be, covered by the applicable Terms Agreement, less the principal amount or number of Underwritten Securities, as the case may be, covered by Delayed Delivery Contracts.

SECTION 3. COVENANTS OF THE COMPANY. The Company covenants with the Representative, and with each Underwriter participating in the offering of Underwritten Securities, as follows:

(a) Immediately following the execution of the Terms Agreement, the Company will prepare a Prospectus Supplement setting forth the principal amount or number of Underwritten Securities, as the case may be, covered thereby and any of their terms not otherwise set forth in the Prospectus, the names of the Underwriters participating in the offering and the principal amount or the number of Underwritten Securities which each severally has agreed to purchase, the price at which the Underwritten Securities are to be purchased by the Underwriters from the Company, the initial public offering price, the selling concession and reallowance, if any, any delayed delivery arrangements, and such other information as the Representative and the Company deem appropriate in connection with the offering of the Underwritten Securities. The Company will promptly transmit copies of the Prospectus Supplement to the Commission for filing pursuant to Rule 424 of the 1933 Act Regulations and will furnish to the Underwriters named therein as many copies of the Prospectus and such Prospectus Supplement as the Representative shall reasonably request.

(b) If, at any time when the Prospectus is required by law to be delivered in connection with sales of the Underwritten Securities, any event shall occur or condition exist as a result of which it is necessary, in the opinion of counsel for the

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Underwriters, to further amend or supplement the Prospectus in order that the Prospectus will not include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in the light of circumstances existing at the time it is

delivered to a purchaser or if it shall be necessary, in the opinion of counsel for the Underwriters, at any such time to amend or supplement the Registration Statement or the Prospectus in order to comply with the requirements of the 1933 Act or the 1933 Act Regulations, the Company will forthwith prepare and file with the Commission such amendment or supplement (in form and substance reasonably satisfactory to counsel for the Underwriters), whether by filing documents pursuant to the 1934 Act or otherwise, as may be necessary to correct such untrue statement or omission or to make the Registration Statement and Prospectus comply with such requirements.

(c) With respect to each sale of Underwritten Securities, the Company will make generally available to its security holders as soon as practicable, but not later than 90 days after the close of the period covered thereby, earnings statements (in form complying with the provisions of Rule 158 of the 1933 Act Regulations) covering 12-month periods beginning, in each case, not later than the first day of the Company's fiscal quarter next following the "effective date" of the Registration Statement or a post-effective amendment thereto (as defined in said Rule 158).

(d) The Company will use the net proceeds received by it from the sale of the Underwritten Securities in the manner described in the Prospectus under the caption "Use of Proceeds."

(e) At any time when the Prospectus is required by law to be delivered in connection with sales of the Underwritten Securities, the Company will give the Representative notice of its intention to file or prepare any amendment to the Registration Statement (including any post-effective amendment) or any amendment or supplement to the Prospectus (including any revised prospectus which the Company proposes for use by the Underwriters in connection

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with the offering of the Underwritten Securities which differs from the prospectus on file at the Commission at the time the Registration Statement becomes effective, whether or not such revised prospectus is required to be filed pursuant to Rule 424(b) of the 1933 Act Regulations), whether pursuant to the 1934 Act, the 1933 Act or otherwise, will furnish the Representative with copies of any such amendment or supplement within a reasonable amount of time prior to such proposed filing or use, as the case may be, and will not file any such amendment or supplement or use any such prospectus to which the Representative or counsel for the Underwriters shall object.

(f) At any time when the Prospectus is required by law to be delivered in connection with sales of the Underwritten Securities, the Company will notify the Representative immediately, and confirm such notice in writing, of (i) the effectiveness of any amendment to the Registration Statement, (ii) the mailing or the delivery to the Commission for filing of any supplement to the Prospectus or any document to be filed pursuant to the 1934 Act, (iii) the receipt of any comments from the Commission with respect to the Registration Statement, the Prospectus or any supplement to the Prospectus, (iv) any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Prospectus or for additional information and (v) the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose. The Company will make every reasonable effort to prevent the issuance of any stop order and, if any stop order is issued, to obtain the lifting thereof at the earliest possible moment.

(g) The Company will deliver to the Representative as many signed copies of the Registration Statement as originally filed and of each amendment thereto, whether filed before or after the Registration Statement becomes effective (including exhibits filed therewith or

incorporated by reference therein and documents incorporated or deemed to be incorporated by reference in the Prospectus) as the Repre-

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sentative may reasonably request and will also deliver to the Representative a conformed copy of the Registration Statement as originally filed and of each amendment thereto (without exhibits) for each of the Underwriters.

(h) The Company will furnish to each Underwriter, from time to time during the period when the Prospectus is required by law to be delivered in connection with sales of the Underwritten Securities, such number of copies of the Prospectus (as amended or supplemented) as such Underwriter may reasonably request for the purposes contemplated by the 1933 Act, the 1933 Act Regulations, the 1934 Act or the 1934 Act Regulations.

(i) The Company will endeavor, in cooperation with the Underwriters, to qualify the Underwritten Securities for offering and sale under the applicable securities laws of such jurisdictions as the Representative may designate; provided, however, that the Company shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation in any jurisdiction in which it is not so qualified. The Company will maintain such qualifications in effect for as long as may be required for the distribution of the Underwritten Securities. The Company will file such statements and reports as may be required by the laws of each jurisdiction in which the Underwritten Securities have been qualified as above provided. The Company will inform the Florida Department of Banking and Finance if at any time prior to the completion of the distribution of the Underwritten Securities by the Underwriters it commences engaging in business with the government of Cuba or with any person located in Cuba, such information to be provided within 90 days after the commencement thereof, or after a change occurs with respect to previously reported information.

(j) The Company will not claim voluntarily, and will resist actively any attempts to claim the benefit of, any usury laws against the holders of the Debt Securities.

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(k) The Company, during the period when the Prospectus is required to be delivered by law in connection with the sale of the Underwritten Securities, will file all documents required to be filed with the Commission pursuant to Section 13, 14 or 15 of the 1934 Act within the time periods required by the 1934 Act and the 1934 Act Regulations.

(l) Between the date of the Terms Agreement and the later of termination of any trading restrictions or Closing Time with respect to the Underwritten Securities covered thereby, except for the issuance of Warrant Securities upon the exercise of Debt Warrants or Preferred Warrants, if any, the Company will not, without the Representative's prior written consent, directly or indirectly, sell, offer to sell, enter into any agreement to sell, grant any option for the sale of, or otherwise dispose of, any securities of or guaranteed by the Company or any of its subsidiaries which are similar to the Underwritten Securities covered by such Terms Agreement, or any securities convertible into or exchangeable or exercisable for any such Underwritten Securities or such similar securities, including additional Securities.

(j) If requested by the Representative, the Company will use its best efforts to effect the listing of the Underwritten Securities and any Warrant Securities issuable upon exercise of the Underwritten Securities on a national securities exchange.

SECTION 4. CONDITIONS OF UNDERWRITERS' OBLIGATIONS. The several

obligations of the Underwriters to purchase Underwritten Securities pursuant to the Terms Agreement are subject to the accuracy of the representations and warranties on the part of the Company herein contained, to the accuracy of the statements of the Company's officers made in any certificate furnished pursuant to the provisions hereof, to the performance by the Company of all of its covenants and other obligations hereunder and to the following further conditions:

(a) At the applicable Closing Time (i) no stop order suspending the effectiveness of the Registration Statement shall have been issued under the 1933

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Act or proceedings therefor initiated or threatened by the Commission, (ii) the ratings assigned by Moody's Investors Service, Inc. and Standard & Poor's Corporation to the Underwritten Securities or any other securities of, or guaranteed by, the Company or any of its subsidiaries as of the date of the Terms Agreement shall not have been lowered since the execution of such Terms Agreement and none of such securities rating agencies shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of the Underwritten Securities or any other securities of, or guaranteed by, the Company or any of its subsidiaries, and (iii) there shall not have come to the Representative's attention any facts that would cause the Representative to believe that the Prospectus, together with the applicable Prospectus Supplement, at the time it was required to be delivered to a purchaser of the Underwritten Securities, contained an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at such time, not misleading. The Prospectus Supplement prepared by the Company pursuant to Section 3(a) hereof shall have been transmitted to the Commission for filing pursuant to Rule 424(b) of the 1933 Act Regulations within the prescribed time period and prior to Closing Time the Company shall have provided evidence satisfactory to the Representative of such timely filing, or a post-effective amendment shall have been promptly filed and declared effective in accordance with the requirements of Rule 430A of the 1933 Act Regulations.

(b) At the applicable Closing Time, the Representative shall have received:

(1) The favorable opinion, dated as of the applicable Closing Time, of Grippio & Elden, counsel for the Company, in form and substance satisfactory to the Representative, to the effect that:

(i) The Company and each of its Significant Subsidiaries is
(a) a corporation duly incorporated and (b) validly

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existing as a corporation in good standing under the laws of its jurisdiction of incorporation.

(ii) The Company and each of its Significant Subsidiaries has the corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement.

(iii) The Company and each of its Significant Subsidiaries is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, except where the failure to so qualify would not have a Material Adverse Effect.

(iv) (A) The authorized issued and outstanding capital stock

of the Company is as set forth in the Prospectus and (B) all of the issued and outstanding shares of capital stock of the Company have been duly authorized and validly issued and are fully paid and non-assessable.

(v) All of the issued and outstanding shares of capital stock of each of the Company's Significant Subsidiaries have been duly authorized and validly issued and are fully paid and non-assessable.

(vi) This Agreement and the Delayed Delivery Contracts, if any, have been duly authorized, executed and delivered by the Company.

(vii) The Underwritten Securities have been duly authorized for issuance and sale by the Company pursuant to this Agreement and, when executed and authenticated as specified in the applicable Securities Agreement and delivered against payment of the consideration therefor in accordance with this Agreement, any Under-

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written Securities constituting capital stock of the Company will be validly issued and fully paid and non-assessable and any other Underwritten Securities will be valid and binding obligations of the Company, in each case entitled to the benefits of the applicable Securities Agreement and enforceable in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting creditors' rights generally or by general equitable principles (regardless of whether enforcement is considered in a proceeding in equity or at law) and except further as enforcement thereof may be limited by (A) requirements that a claim with respect to any Underwritten Securities denominated other than in U.S. dollars (or a foreign currency or currency unit judgment in respect of such claim) be converted into U.S. dollars at a rate of exchange prevailing on a date determined pursuant to applicable law or (B) governmental authority to limit, delay or prohibit the making of payments outside the United States; and the Warrant Securities, if any, have been duly authorized by the Company and, when executed and authenticated as specified in the applicable Securities Agreement and delivered against payment pursuant to such Securities Agreement, any Warrant Securities constituting capital stock of the Company will be validly issued and fully paid and non-assessable and any other Warrant Securities will be valid and binding obligations of the Company, in each case entitled to the benefits of the applicable Securities Agreement and enforceable in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting creditors' rights generally or general equitable principles (regardless or wheth-

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er enforcement is considered in a proceeding in equity or at law) and except further as enforcement thereof is subject, in the case of Warrant Securities denominated in a foreign currency or currency unit, to provisions of law that require that a judgment for money damages rendered by a court in the United States be expressed only in United States dollars.

(viii) The applicable Securities Agreement has been duly authorized, executed and delivered by the Company and, in the case of any Certificate of Designation, has been filed with the

Secretary of State of the State of Delaware and, in the case of any Indenture, has been duly qualified under the 1939 Act, and, assuming due authorization, execution and delivery by the Trustee, in the case of the Indenture, and the Warrant Agent, in the case of any Warrant Agreement, constitutes a valid and binding obligation of the Company, enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting creditors' rights generally or by general equitable principles (regardless of whether enforcement is considered in a proceeding in equity or at law) and except further as enforcement thereof is subject, in the case of Underwritten Securities denominated in a foreign currency or currency unit, to provisions of law that require that a judgment for money damages rendered by a court in the United States be expressed only in United States dollars.

(ix) The Underwritten Securities and the applicable Securities Agreement conform in all material respects to the descriptions thereof contained in the Prospectus and are substantially in the respective forms filed or incorporated by reference, as the case may be, as exhibits

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to the Registration Statement; and the issuance of the Underwritten Securities is not subject to any preemptive or similar rights.

(x) The Registration Statement is effective under the 1933 Act and, to the best of their knowledge and information, no stop order suspending the effectiveness of the Registration Statement has been issued under the 1933 Act or proceedings therefor initiated or threatened by the Commission.

(xi) At the time the Registration Statement became effective and at the Representation Date, the Registration Statement and each amendment or supplement thereto (other than the financial statements and supporting schedules included therein and the Form T-1 of the Trustee under the Indenture, as to which such counsel need express no opinion), complied as to form in all material respects to the requirements of the 1933 Act, the 1933 Act Regulations, the 1939 Act and the 1939 Act Regulations.

(xii) Each document filed pursuant to the 1934 Act (other than the financial statements and supporting schedules included therein, as to which such counsel need express no opinion) and incorporated or deemed to be incorporated by reference in the Prospectus complied when so filed as to form in all material respects with the 1934 Act and the 1934 Act Regulations.

(xiii) There are no contracts, indentures, mortgages, loan agreements, notes, leases or other agreements or instruments required to be described or referred to in the Registration Statement or to be filed as Exhibits thereto other than those described or referred to therein or filed or incorporated by reference as exhibits thereto and the descriptions

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thereof are correct, and, to the knowledge of such counsel, no default exists in the due performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, loan agreement, note, lease or other agreement or instrument so described, referred to, filed or incorporated by reference, except where such default would not

have a Material Adverse Effect.

(xiv) No authorization, approval, consent or order of any court or governmental authority or agency is required in connection with the sale to the Underwriters of the Underwritten Securities, except such as may be required under the 1933 Act or the 1933 Act Regulations or state securities laws; and the execution, delivery and performance of this Agreement, the applicable Securities Agreement and the Securities and the consummation of the transactions contemplated herein and therein will not conflict with or constitute a material breach of, or a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its Significant Subsidiaries pursuant to, any contract, indenture, mortgage, loan agreement, note, lease or other agreement or instrument to which the Company or any of its Significant Subsidiaries is a party or by which any of them may be bound, or to which any of the property or assets of the Company or any of its Significant Subsidiaries is subject, nor will such action result in any violation of the provisions of the charter or by-laws of the Company or any of its Significant Subsidiaries, or any applicable law, administrative regulation or administrative or court decree.

(xv) To the knowledge of such counsel, there are no legal or governmental proceedings pending or threatened that are

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required to be disclosed in the Registration Statement, other than those disclosed therein, and all pending legal or governmental proceedings to which the Company or any of its subsidiaries is a party or to which any of their property is subject which are not described in the Registration Statement, including ordinary routine litigation incidental to the business, are, considered in the aggregate, not material.

(xvi) The information in the Prospectus under "Description of Debt Securities," "Description of Debt Warrants," "Description of Preferred Stock," "Description of Preferred Warrants" and "Description of Currency Warrants," to the extent that it constitutes matters of law, summaries of legal matters, documents or proceedings, or legal conclusions, has been reviewed by such counsel and is correct in all material respects.

(xvii) Neither the Company nor any of its subsidiaries is, or as a result of the transactions contemplated by the Prospectus or the applicable Securities Agreement would be, required to make any filing or to register under the Investment Company Act of 1940, as amended.

(2) The favorable opinion, dated as of the applicable Closing Time, of Skadden, Arps, Slate, Meagher & Flom, counsel for the Underwriters, with respect to the matters set forth in (i)(b) (other than with respect to any of the Company's subsidiaries, as to which such counsel need express no opinion), and (vi), (vii), (viii), (x), (xi) and (xvi).

(3) In giving their opinion required by clauses (i), (ii), (iii), (iv)(B) and (v) of subsection (b)(1) of this Section 4, Grippo & Elden may rely, to the extent such counsel deems proper, on an opinion rendered by the General Counsel of the Company addressed to

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such counsel and delivered to the Representative and counsel for the

Representative, and, in giving their opinion required by clauses (i)-(xvii) of subsection (b)(1) of this Section 4, Grippio & Elden may rely, as to matters of fact, to the extent such counsel deems proper, on certificates of responsible officers of the Company and public officials, provided that any such certificates are delivered to the Representative and counsel for the Representative, and, as to matters involving the application of laws of any jurisdiction other than the United States and jurisdictions in which they are admitted, to the extent such counsel deems proper and specifies in such opinion and to the extent such opinion is satisfactory in form and scope to counsel for the Representative, upon the opinion of other counsel qualified in such jurisdictions whom they believe are reliable and who are satisfactory to counsel for the Representative, provided that copies of any such opinions of other counsel shall be delivered to the Representative and counsel for the Representative.

In giving the opinions required by subsections (b)(1) and (b)(2) of this Section 4, each such counsel shall state that no facts have come to such counsel's attention that lead such counsel to believe (i) that the Registration Statement or any amendment thereto (except for the financial statements and supporting schedules and other financial or statistical data included or incorporated by reference therein and the Form T-1 of the Trustee under the Indenture, as to which such counsel need make no statement), at the time the Registration Statement or any such amendment became effective, or at the date of the Terms Agreement, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or (ii) that the Prospectus or any amendment or supplement thereto (except for the financial statements and supporting schedules and other financial or statistical data included or incorporated by

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reference therein, as to which such counsel need make no statement), at the time the Prospectus was issued, at the time any such amended or supplemented Prospectus was issued or at the applicable Closing Time, included or includes an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(c) At the applicable Closing Time, there shall not have been, since the date of the Terms Agreement or since the respective dates as of which information is given in the Registration Statement, any Material Adverse Change, and the Representative shall have received a certificate of the President or a Vice President of the Company and by the chief financial or chief accounting officer of the Company, dated as of such Closing Time, to the effect that (i) there has been no such Material Adverse Change, (ii) the other representations and warranties of the Company contained in Section 1 hereof are true and correct with the same force and effect as though such Closing Time were a Representation Date, (iii) the Company has complied in all material respects with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Time and (iv) no stop order suspending the effectiveness of the Registration Statement has been issued and, to the knowledge of such officers, no proceedings for that purpose have been initiated or threatened by the Commission.

(d) The Representative shall have received from Arthur Andersen LLP or other independent public accountants acceptable to the Representative a letter, dated as of the date of the Terms Agreement and delivered at such time, in form and substance satisfactory to the Representative, to the effect that (i) they are independent public accountants with respect to the Company and its subsidiaries within the meaning of the 1933 Act and the 1933 Act Regulations; (ii) it is their opinion that the audited consolidated financial statements and supporting schedules included or

ered by their opinions comply as to form in all material respects with the applicable accounting requirements of the 1933 Act and the 1933 Act Regulations and the 1934 Act and 1934 Act Regulations; (iii) they have read the unaudited condensed consolidated interim balance sheet, statements of income, stockholders' equity and cash flows included or incorporated in the Registration Statement, and agreed the amounts contained therein with the Company's accounting records as of such date or for such period, and inquired of certain officials of the Company who have responsibility for financial and reporting matters as to whether such interim financial statements included or incorporated in the Registration Statement are in conformity with generally accepted accounting principles applied on a basis substantially consistent with that of the audited consolidated financial statements included or incorporated in the Registration Statement and comply as to form in all material respects with the applicable accounting requirements of the 1933 Act and the 1933 Act Regulations; (iv) based upon limited procedures set forth in detail in such letter, nothing has come to their attention which causes them to believe that (A) any unaudited interim consolidated financial statements of the Company included or incorporated in the Registration Statement and the Prospectus do not comply as to form in all material respects with the applicable accounting requirements of the 1933 Act and the 1933 Act Regulations and the 1934 Act and 1934 Act Regulations or are not in conformity with generally accepted accounting principles applied on a basis substantially consistent with that of the audited consolidated financial statements of the Company included or incorporated by reference in the Registration Statement and the Prospectus, (B) at the date of the latest available consolidated balance sheet read by such accountants, and at a specified date not more than five days prior to the date of this Agreement, there has been any change in the capital stock of the Company and its subsidiaries or any increase in the consolidated long-term or short-term debt of the Company and its subsidiaries or any decrease in consolidated net current assets or net assets, as compared with the amounts shown in the latest balance sheet included in the Registration Statement

or, during the period from the closing date of the latest income statement included in the Prospectus to a specified date not more than five days prior to the date of this Agreement, there were any decreases, as compared with the corresponding period in the preceding year, in consolidated revenues, net income or net income per share of the Company and its subsidiaries, except in all instances for changes, increases or decreases which the Registration Statement and the Prospectus disclose have occurred or may occur; and (v) in addition to the examination referred to in their opinions and the limited procedures referred to in clause (iv) above, they have carried out certain specified procedures, not constituting an audit, with respect to certain amounts, percentages and financial information which are included in the Registration Statement and the Prospectus and which are specified by the Representative, and have found such amounts, percentages and financial information to be in agreement with the relevant accounting, financial and other records of the Company and its subsidiaries identified in such letter, excluding any questions of legal interpretation.

(e) The Representative shall have received from Arthur Andersen LLP or other independent public accountants acceptable to the Representative a letter, dated as of the applicable Closing Time, reconfirming or updating the letter required by subsection (d) of this Section 4, in form and substance satisfactory to the Representative.

(f) At the applicable Closing Time, Skadden, Arps, Slate, Meagher & Flom shall have been furnished with such documents and opinions as they may reasonably require for the purpose of enabling them to pass upon the

issuance and sale of the Underwritten Securities as herein contemplated and related proceedings or in order to evidence the accuracy and completeness of any of the representations and warranties, or the fulfillment of any of the conditions, herein contained; and all proceedings taken by the Company in connection with the issuance and sale of the Underwritten Securities as herein contemplated shall be reasonably satisfactory in form

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and substance to the Representative and counsel for the Underwriters.

(g) In the event the Underwriters exercise their option provided in a Terms Agreement as set forth in Section 2 hereof to purchase all or any portion of the Option Securities, the representations and warranties of the Company contained herein and the statements in any certificates furnished by the Company hereunder shall be true and correct as of each Date of Delivery, and the Representative shall have received:

(1) A certificate, dated such Date of Delivery, of the President or a Vice President and of the chief financial or chief accounting officer of the Company, confirming that the certificate delivered at Closing Time pursuant to Section 4(c) hereof remains true and correct as of such Date of Delivery.

(2) The favorable opinion of Grippo & Elden, counsel for the Company, in form and substance satisfactory to the Representative, dated such Date of Delivery, relating to the Option Securities and otherwise substantially to the same effect as the opinion required by Section 4(b)(1) hereof.

(3) The favorable opinion of Skadden, Arps, Slate, Meagher & Flom, counsel for the Underwriters, dated such Date of Delivery, relating to the Option Securities and otherwise to the same effect as of the opinion required by Section 4(b)(2) hereof.

(4) A letter from Arthur Andersen LLP or other independent public accountants acceptable to the Representative, in form and substance satisfactory to the Representative and dated such Date of Delivery, substantially the same in scope and substance as the letter furnished to the Representative pursuant to Section 4(e) hereof, except that the "specified date" in the letter furnished pursuant to this Section 4(g)(4) shall be a date not more than five days prior to such Date of Delivery.

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(h) At the Closing Time, if requested by the Representative, the Underwritten Securities and any Warrant Securities issuable upon exercise of the Underwritten Securities shall have been approved for listing on such national securities exchange as designated by the Representative, subject to official notice of issuance.

If any condition specified in this Section 4 shall not have been fulfilled when and as required to be fulfilled, this Agreement may be terminated by the Representative by notice to the Company at any time at or prior to the applicable Closing Time, and such termination shall be without liability of any party to any other party except as provided in Section 5.

SECTION 5. PAYMENT OF EXPENSES. The Company will pay all expenses incident to the performance of its obligations under this Agreement, including (i) the printing and filing of the Registration Statement as originally filed and of all amendments thereto, the preliminary prospectuses, the Prospectus, and any amendments or supplements thereto, (ii) the printing of this Agreement and each Securities Agreement, (iii) the preparation, issuance and delivery of the certificates for the Underwritten Securities to the Underwriters and of certificates for any Warrant Securities issuable upon exercise of Debt Warrants

or Preferred Warrants, (iv) the fees and disbursements of the Company's counsel and accountants, (v) the qualification of the Underwritten Securities and any Warrant Securities issuable upon exercise of Debt Warrants or Preferred Warrants under securities laws in accordance with the provisions of Section 3(i) hereof, including filing fees and the fees and disbursements of counsel for the Underwriters in connection therewith and in connection with the preparation of any Blue Sky Surveys and Legal Investment Surveys, (vi) the printing and delivery to the Underwriters in quantities as hereinabove stated of copies of the Registration Statement as originally filed and of each amendment thereto, and of the Prospectus and any amendments or supplements thereto, (vii) the printing and delivery to the Underwriters of copies of each Securities Agreement, any Blue Sky Surveys, any Delayed Delivery Contract and any Legal Investment Surveys, (viii) the fees, if any, of rating agencies, (ix) the fees and expenses, if any, incurred in connection with the listing of the Underwrit-

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ten Securities or any Warrant Securities on any national securities exchange, (x) any filing fees incident to any required review by the National Association of Securities Dealers, Inc. of the terms of the sale of the Securities (including the reasonable fees, disbursements and charges of counsel for the Underwriters in connection therewith), (xi) the fees and expenses of any Trustee and any agent of any Trustee, the fees and expenses of any Warrant Agent, and the fees and disbursements of counsel for any Trustee or any Warrant Agent in connection with any Securities Agreement and the Securities, (xii) any advertising and other out-of-pocket expenses of the Representative incurred with the approval of the Company, (xiii) the fees and expenses of any Depository (as defined in any Securities Agreement) and any nominees thereof in connection with the Underwritten Securities, (xiv) the cost of providing any CUSIP or other identification numbers for the Underwritten Securities, and (xv) all other costs and expenses incident to the performance of its obligations hereunder which are not otherwise specifically provided for in this Section 5.

If this Agreement is terminated by the Representative in accordance with the provisions of Section 4 or Section 9(a)(i) hereof, the Company shall reimburse the Underwriters named in such Terms Agreement for all of their out-of-pocket expenses, including the reasonable fees and disbursements of counsel for the Underwriters.

SECTION 6. INDEMNIFICATION. (a) The Company agrees to indemnify and hold harmless each Underwriter, its directors, officers and employees and each person, if any, who controls any Underwriter within the meaning of Section 15 of the 1933 Act as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto), including the information deemed to be part of the Registration Statement pursuant to Rule 430A(b) of the 1933 Act Regulations, if applicable, or any omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading or arising out of any untrue statement or alleged untrue

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statement of a material fact contained in any Preliminary Prospectus Supplement or the Prospectus (or any amendment or supplement thereto) or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim

whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, if such settlement is effected with the written consent of the Company; and

(iii) against any and all expense whatsoever, as incurred (including, subject to Section 6(c) hereof, the fees and disbursements of counsel chosen by the Representative), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) above;

provided, however, that this indemnity agreement shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representative expressly for use in the Registration Statement (or any amendment thereto), any Preliminary Prospectus Supplement, the Prospectus (or any amendment or supplement thereto) or in the Form T-1 of the Trustee under the Indenture.

(b) Each Underwriter severally agrees to indemnify and hold harmless the Company, its directors, each of its officers who signs the Registration Statement and each

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person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act against any and all loss, liability, claim, damage and expense described in subsection (a) of this Section 6, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Registration Statement (or any amendment thereto), any Preliminary Prospectus Supplement or the Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with written information furnished to the Company by such Underwriter through the Representative expressly for use in the Registration Statement (or any amendment thereto), any Preliminary Prospectus Supplement or the Prospectus (or any amendment or supplement thereto).

(c) Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability which it may have otherwise than on account of this indemnity agreement. An indemnifying party may participate at its own expense in the defense of any such action. In no event shall the indemnifying parties be liable for fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstance.

SECTION 7. CONTRIBUTION. In order to provide for just and equitable contribution in circumstances in which the indemnity agreement provided for in Section 6 hereof is for any reason held to be unenforceable by the indemnified parties although applicable in accordance with its terms, the Company and the Underwriters shall contribute to the aggregate losses, liabilities, claims, damages and expenses of the nature contemplated by said indemnity agreement incurred by the Company and one or more of the Underwriters, as incurred, in such proportions that the Underwriters are responsible for that portion represented by the percentage that the underwriting discount appearing on the cover page of the Prospectus bears to the initial public offering price appearing thereon and the

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Company is responsible for the balance; provided, however, that no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section, each person, if any, who controls an Underwriter within the meaning of Section 15 of the 1933 Act shall have the same rights to contribution as such Underwriter, and each director of the Company, each officer of the Company who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act shall have the same rights to contribution as the Company.

SECTION 8. REPRESENTATIONS, WARRANTIES AND AGREEMENTS TO SURVIVE DELIVERY. All representations, warranties and agreements contained in this Agreement, or contained in certificates of officers of the Company submitted pursuant hereto, shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of any Underwriter or controlling person, or by or on behalf of the Company, and shall survive delivery of any Underwritten Securities to the Underwriters.

SECTION 9. TERMINATION. (a) The Representative may terminate this Agreement, upon notice to the Company, at any time prior to the applicable Closing Time (i) if there has been, since the date of the Terms Agreement or since the respective dates as of which information is given in the Registration Statement, any Material Adverse Change, or (ii) if there has occurred any material adverse change in the financial markets in the United States or elsewhere or any outbreak of hostilities or escalation thereof or other calamity or crisis the effect of which is such as to make it, in the judgment of the Representative, impracticable to market the Underwritten Securities or enforce contracts for the sale of the Underwritten Securities, or (iii) if the rating assigned by any nationally recognized securities rating agency to any securities of, or guaranteed by, the Company or any of its subsidiaries shall have been lowered or if any such rating agency shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any securities of, or guaranteed by, the Company or any of its subsidiaries, or (iv)

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if trading in the Common Stock has been suspended by the Commission or a national securities exchange or if trading on either the American Stock Exchange or the New York Stock Exchange has been suspended, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices for securities have been required, by either of said exchanges or by order of the Commission or any other governmental authority, or if a banking moratorium has been declared by either Federal or New York authorities.

(b) In the event of any such termination, (i) the covenants set forth in Section 3 hereof with respect to any offering of Underwritten Securities shall remain in effect so long as any Underwriter retains beneficial ownership of any such Underwritten Securities purchased from the Company pursuant to the applicable Terms Agreement and (ii) the covenant set forth in Section 3(c) hereof, the provisions of Section 5 hereof, the indemnity agreement set forth in Section 6 hereof, the contribution provisions set forth in Section 7 hereof and the provisions of Sections 8 and 13 hereof shall remain in effect.

SECTION 10. DEFAULT BY ONE OR MORE OF THE UNDERWRITERS. If one or more of the Underwriters participating in an offering of Securities shall fail at the applicable Closing Time to purchase the Underwritten Securities which it or they are obligated to purchase under the applicable Terms Agreement (the "Defaulted Securities"), then the Representative shall have the right, within 24 hours thereafter, to make arrangements for one or more of the non-defaulting Underwriters, or any other underwriters, to purchase all, but not less than all, of the Defaulted Securities in such amounts as may be agreed upon and upon the terms herein set forth; if however, the Representative shall not have completed such arrangements within such 24-hour period, then:

(a) if the aggregate amount of Defaulted Securities does not exceed 10% of the aggregate amount of the Underwritten Securities to be purchased pursuant to the Terms Agreement, the non-defaulting Underwriters named in such Terms Agreement shall be obligated to purchase the full amount thereof in the proportions that their respective underwriting obligations thereunder bear to the underwriting obligations of all such non-defaulting Underwriters, or

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(b) if the aggregate amount of Defaulted Securities exceeds 10% of the aggregate amount of the Underwritten Securities to be purchased pursuant to such Terms Agreement, the Terms Agreement shall terminate without any liability on the part of any non-defaulting Underwriters.

No action taken pursuant to this Section 10 shall relieve any defaulting Underwriter from liability in respect of its default.

In the event of a default by any Underwriter or Underwriters as set forth in this Section 10, either the Representative or the Company shall have the right to postpone the applicable Closing Time for a period not exceeding seven days in order to effect any required changes in the Registration Statement or Prospectus or in any other documents or arrangements.

SECTION 11. NOTICES. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Underwriters shall be directed to the Representative, with a copy to Skadden, Arps, Slate, Meagher & Flom, 333 West Wacker Drive, Suite 2100, Chicago, Illinois 60606, Attention: William R. Kunkel; notices to the Company shall be directed to it at 2801-80th Street, Kenosha, Wisconsin 53141-1410, Attention: Susan F. Marrinan, Vice President, Secretary and General Counsel, with a copy to Grippo & Elden, 227 West Monroe Street, Chicago, Illinois 60606, Attention: Theodore W. Grippo.

SECTION 12. PARTIES. This Agreement shall inure to the benefit of and be binding upon the Company and any Underwriter who becomes a party hereto, and their respective successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the Company, such Underwriters and their respective successors and the controlling persons and officers and directors referred to in Sections 6 and 7 hereof and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the Company, such Underwriters and

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their respective successors and said controlling persons and officers and directors and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Underwritten Securities from any Underwriter shall be deemed to be a successor by reason merely of such purchase.

SECTION 13. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed in said State.

SECTION 14. COUNTERPARTS. The Terms Agreement may be executed in one or more counterparts, and if executed in more than one counterpart, the executed counterparts shall constitute a single instrument.

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EXHIBIT A

SNAP-ON INCORPORATED
(a Delaware corporation)

[Title of Securities]

DELAYED DELIVERY CONTRACT

, 199

Snap-on Incorporated
2801-80th Street
Kenosha, Wisconsin 53141-1410

Attention:

Ladies and Gentlemen:

The undersigned hereby agrees to purchase from Snap-on Incorporated, a Delaware corporation (the "Company"), and the Company agrees to sell to the undersigned on , 199 (the "Delivery Date"),

of the Company's [insert title of security] (the "Securities"), offered by the Company's Prospectus dated , 199 , as supplemented by its Prospectus Supplement dated , 199 , receipt of which is hereby acknowledged at a purchase price of _____ to the Delivery Date, and on the further terms and conditions set forth in this contract.

Payment for the Securities which the undersigned has agreed to purchase on the Delivery Date shall be made to the Company or its order by certified or official bank check in New York Clearing House funds at the office of

, on the Delivery Date, upon delivery to the undersigned of the Securities to be purchased by the undersigned in definitive form and in such denominations and registered in such names as the undersigned may designate by written or telegraphic communication addressed to the Company not less than five full business days prior to the Delivery Date.

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The obligation of the undersigned to take delivery of and make payment for Securities on the Delivery Date shall be subject only to the conditions that (1) the purchase of Securities to be made by the undersigned shall not on the Delivery Date be prohibited under the laws of the jurisdiction to which the undersigned is subject and (2) the Company, on or before , 199 , shall have sold to the Underwriters of the Securities (the "Underwriters") such amount of the Securities as is to be sold to them pursuant to the Terms Agreement dated , 199 between the Company and the Underwriters. The obligation of the undersigned to take delivery of and make payment for Securities shall not be affected by the failure of any purchaser to take delivery of and make payments for Securities pursuant to other contracts similar to this contract. The undersigned represents and warrants to you that its investment in the Securities is not, as of the date hereof, prohibited under the laws of any jurisdiction to which the undersigned is subject and which govern such investment.

Promptly after completion of the sale to the Underwriters, the Company will mail or deliver to the undersigned at its address set forth below notice to such effect, accompanied by a copy of the opinion of counsel for the Company delivered to the Underwriters in connection therewith.

By the execution hereof, the undersigned represents and warrants to the Company that all necessary corporate action for the due execution and delivery of this contract and the payment for and purchase of the Securities has

been taken by it and no further authorization or approval of any governmental or other regulatory authority is required for such execution, delivery, payment or purchase, and that, upon acceptance hereof by the Company and mailing or delivery of a copy as provided below, this contract will constitute a valid and binding agreement of the undersigned in accordance with its terms.

This contract will inure to the benefit of and be binding upon the parties hereto and their respective successors, but will not be assignable by either party hereto without the written consent of the other.

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It is understood that the Company will not accept Delayed Delivery Contracts for an amount of Securities in excess of _____ and that the acceptance of any Delayed Delivery Contract is in the Company's sole discretion and, without limiting the foregoing, need not be on a first-come, first-served basis. If this contract is acceptable to the Company, it is requested that the Company sign the form of acceptance on a copy hereof and mail or deliver a signed copy hereof to the undersigned at its address set forth below. This will become a binding contract between the Company and the undersigned when such copy is so mailed or delivered.

This Agreement shall be governed by the laws of the State of New York.

Yours very truly,

(Name of Purchaser)

By

(Title)

(Address)

Accepted as of the date
first above written.

SNAP-ON INCORPORATED

By

(Title)

A-3

PURCHASER--PLEASE COMPLETE AT TIME OF SIGNING

The name and telephone number of the representative of the Purchaser with whom details of delivery on the Delivery Date may be discussed are as follows: (Please print)

Name

Telephone No.
(including
Area Code)

SNAP-ON INCORPORATED

TO

FIRSTAR TRUST COMPANY,
TRUSTEE

INDENTURE

DATED AS OF [], 1994

PROVIDING FOR THE ISSUANCE OF
SENIOR DEBT SECURITIES IN SERIES

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SNAP-ON INCORPORATED

RECONCILIATION AND TIE BETWEEN TRUST INDENTURE ACT OF 1939 AND INDENTURE, DATED AS OF _____, 1994

TRUST INDENTURE ACT SECTION	INDENTURE SECTION
Section 310(a)(1)	6.7
(a)(2)	6.7
(b)	6.7, 6.8
Section 312(c)	7.1
Section 314(a)	7.3
(a)(4)	10.9
(c)(1)	1.2
(c)(2)	1.2
(e)	1.2
Section 315(b)	6.5
Section 316(a) (last sentence)	1.1 ("Outstanding")
(a)(1)(A)	5.2, 5.12
(a)(1)(B)	5.13
(b)	5.8
Section 317(a)(1)	5.3
(a)(2)	5.4
Section 318(a)	1.7
(c)	1.7

NOTE: This reconciliation and tie shall not, for any purpose, be deemed to be a part of the Indenture.

INDENTURE, dated as of _____, 1994, between SNAP-ON INCORPORATED, a Delaware corporation (hereinafter called the "Company") and FIRSTAR TRUST COMPANY, a Wisconsin state banking association, as Trustee (hereinafter called the "Trustee").

Each party agrees as follows for the benefit of the other party and for the equal and ratable benefit of the Holders of the Company's Securities issued hereunder:

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

SECTION 1.1 DEFINITIONS. For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(1) the terms defined in this Article have the meanings assigned to them in this Article, and include the plural as well as the singular;

(2) all other terms used herein which are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein, and the terms "cash transaction" and "self-liquidating paper", as used in TIA Section 311, shall have the meanings assigned to them in the rules of the Commission adopted under the Trust Indenture Act;

(3) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles;

(4) the word "or" is not exclusive;

(5) provisions apply to successive events and transactions; and

(6) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

"ACT", when used with respect to any Holder, has the meaning specified in Section 1.4.

"ACQUIRED INDEBTEDNESS" means Indebtedness of a Person (i) assumed in connection with the acquisition of assets from another Person or secured by the assets so acquired from such other Person or (ii) existing at the time such other Person becomes a Restricted Subsidiary (other than any Indebtedness incurred in connection with, or in contemplation of, such asset acquisition or such other Person becoming a Restricted Subsidiary).

Acquired Indebtedness shall be deemed to be incurred on the date of the related acquisition of assets from any other Person or the date the acquired Person becomes a Restricted Subsidiary.

"ADDITIONAL AMOUNTS" means any additional amounts which are required by a Security or by or pursuant to a Board Resolution, under circumstances specified therein, to be paid by the Company in respect of certain taxes imposed on certain Holders and which are owing to such Holders.

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

"controlled" have meanings correlative to the foregoing.

"AUTHENTICATING AGENT" means any authenticating agent appointed by the Trustee pursuant to Section 6.11.

"AUTHORIZED NEWSPAPER" means a newspaper, in the English language or in the official language of the country of publication, customarily published on each Business Day, whether or not published on Saturdays, Sundays or holidays, and of general circulation in each place in connection with which the term is used or in the financial community of each such place. Where successive publications are required to be made in Authorized Newspapers, the successive publications may be made in the same or in different newspapers in the same city meeting the foregoing requirements and in each case on any Business Day.

"BANKRUPTCY LAW" has the meaning specified in Section 5.1.

"BEARER SECURITY" means any Security established pursuant to Section 2.1 which is payable to bearer.

"BOARD OF DIRECTORS" means the Board of Directors of the Company or any authorized committee of such Board.

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

"BUSINESS DAY", when used with respect to any Place of Payment or any other particular location referred to in this Indenture or the Securities, means, unless otherwise specified with respect to any Securities pursuant to Section 3.1, each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in that Place of Payment or particular location are authorized or obligated by law or executive order to close.

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"CAPITAL STOCK" means, with respect to any Person, any and all shares, interests, participations, rights in or other equivalents (however designated) of such Person's capital stock, and any rights (other than debt securities convertible into capital stock), warrants or options exchangeable for or convertible into capital stock.

"CAPITALIZED LEASE OBLIGATION" means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes in accordance with generally accepted accounting principles, and the amount of Indebtedness represented by such obligation shall be the capitalized amount of such obligation determined in accordance with such principles; and the stated maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty.

"CEDEL" means Centrale de Livraison de Valeurs Mobilieres, S.A., or its successor.

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

"COMMON DEPOSITORY" has the meaning specified in Section 3.4.

"COMMON STOCK" means the Company's common stock, par value \$1.00 per share.

"COMPANY" means the Person named as the "Company" in the first paragraph of this Indenture until a successor corporation shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Company" shall mean such successor corporation.

"COMPANY REQUEST" and "COMPANY ORDER" mean, respectively, a written request or order signed in the name of the Company by the Chairman, the President or a Vice President, and by the Treasurer, an Assistant Treasurer, the Comptroller or an Assistant Comptroller, the Secretary or an Assistant Secretary, of the Company, and delivered to the Trustee.

"COMPONENT CURRENCY" has the meaning specified in Section 3.12(h).

"CONSOLIDATED NET TANGIBLE ASSETS" means the aggregate amount of assets after deducting therefrom (a) all current liabilities (excluding any such liability that by its term is extendable 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, excess of cost over assets acquired, patents, copyrights, trademarks, tradenames, unamortized debt discount and expense and other like intangibles, all as shown in the most recent consolidated financial statements of the Company and its consolidated Subsidiaries prepared in accordance with generally accepted accounting principles.

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"CONVERSION DATE" has the meaning specified in Section 3.12(d).

"CONVERSION EVENT" means the cessation of use of (i) a Foreign Currency both by the government of the country which issued such currency and for the settlement of transactions by a central bank or other public institutions of or within the international banking community, (ii) the ECU both within the European Monetary System and for the settlement of transactions by public institutions or within the European Communities or (iii) any currency unit (or composite currency) other than the ECU for the purposes for which it was established.

"CORPORATE TRUST OFFICE" means the office of the Trustee at which, at any particular time, its corporate trust business shall be principally administered, which office at the date hereof is located at 615 East Michigan Street, 4th Floor, Milwaukee, Wisconsin 53202.

"CORPORATION" includes corporations, associations, companies and business trusts.

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

"COVENANT DEFEASANCE" has the meaning specified in Section 14.3.

"CURRENCY AGREEMENT" means any foreign exchange contract, currency swap agreement or other similar arrangement designed to protect the Company or any Restricted Subsidiary against fluctuations in currency values.

"CURRENCY INDEXED NOTE" means any Security with the amount of principal payments determined by reference to an index currency.

"CUSTODIAN" has the meaning specified in Section 5.1.

"DEFAULTED INTEREST" has the meaning specified in Section 3.7.

"DEFEASANCE" has the meaning specified in Section 14.2.

"DOLLAR" or "\$" means a dollar or other equivalent unit in such coin or currency of the United States of America as at the time shall be legal

tender for the payment of public and private debts.

"DOLLAR EQUIVALENT OF THE CURRENCY UNIT" has the meaning specified in Section 3.12(g).

"DOLLAR EQUIVALENT OF THE FOREIGN CURRENCY" has the meaning specified in Section 3.12(f).

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

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"ELECTION DATE" has the meaning specified in Section 3.12(h).

"EUROCLEAR" means Morgan Guaranty Trust Company of New York, Brussels Office, or its successor as operator of the Euroclear System.

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

"EUROPEAN MONETARY SYSTEM" means the European Monetary System established by the Resolution of December 5, 1978 of the Council of the European Communities.

"EVENT OF DEFAULT" has the meaning specified in Article V.

"EXCHANGE DATE" has the meaning specified in Section 3.4.

"EXCHANGE RATE AGENT", with respect to Securities of or within any series, means, unless otherwise specified with respect to any Securities pursuant to Section 3.1, a New York Clearing House bank designated pursuant to Section 3.1 or Section 3.13.

"EXCHANGE RATE OFFICER'S CERTIFICATE" means a certificate setting forth (i) the applicable Market Exchange Rate or applicable bid quotation and (ii) the Dollar or Foreign Currency amounts of principal (and premium, if any) and interest, if any (on an aggregate basis and on the basis of a Security having the lowest denomination principal amount determined in accordance with Section 3.2 in the relevant currency or currency unit), payable with respect to a Security of any series on the basis of such Market Exchange Rate or the applicable bid quotation signed by the Treasurer, any Vice President or any Assistant Treasurer of the Company.

"EXTENSION NOTICE" has the meaning specified in Section 3.8.

"EXTENSION PERIOD" has the meaning specified in Section 3.8.

"FINAL MATURITY" has the meaning specified in Section 3.8.

"FOREIGN CURRENCY" means any currency, currency unit or composite currency, including, without limitation, the ECU issued by the government of one or more countries other than the United States of America or by any recognized confederation or association of such governments.

"FOREIGN CURRENCY NOTE" means any Securities denominated in one or more Foreign Currencies.

"GOVERNMENT OBLIGATIONS" means securities which are (i) direct obligations of the United States of America or the government which issued the Foreign Currency in which the

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Securities of a particular series are payable, for the payment of which its full faith and credit is pledged or (ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America or such government which issued the foreign currency in which the Securities of such series are payable, the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America or such other government, which, in either case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any such Government Obligation or a specific payment of interest on or principal of any such Government Obligation held by such custodian for the account of the holder of a depository receipt, PROVIDED that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the Government Obligation or the specific payment of interest on or principal of the Government Obligation evidenced by such depository receipt.

"HOLDER" means, in the case of a Registered Security, the Person in whose name a Security is registered in the Security Register and, in the case of a Bearer Security, the bearer thereof and, when used with respect to any coupon, shall mean the bearer thereof.

"INDEBTEDNESS" means, with respect to any Person, at any date, any of the following, without duplication, (i) any liability, contingent or otherwise, of such Person (A) for borrowed money (whether or not the recourse of the lender is to the whole of the assets of such Person or only to a portion thereof), (B) evidenced by a note, bond, debenture, settlement agreement or similar instrument or (C) for the payment of money relating to a Capitalized Lease Obligation or other obligation (whether issued or assumed) relating to the deferred purchase price of property; (ii) all conditional sale obligations and all obligations under any title retention agreement (even if the rights and remedies of the seller under such agreement in the event of default are limited to repossession or sale of such property), but excluding trade accounts payable arising in the ordinary course of business; (iii) all obligations for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction other than entered into in the ordinary course of business; (iv) all indebtedness of others secured by (or for which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on any asset or property (including, without limitation, leasehold interests and any other tangible or intangible property) of such Person, whether or not such indebtedness is assumed by such Person or is not otherwise such Person's legal liability; provided, that if the obligations so secured have not been assumed in full by such Person or are otherwise not such Person's legal liability in full, the amount of such indebtedness for the purposes of this definition shall be limited to the lesser of the amount of such indebtedness secured by such Lien or the fair market value of the assets of the property securing such Lien; (v) all indebtedness of others (including all interest and dividends on any Indebtedness or preferred stock of any other Person for the payment of which is) guaranteed, directly or indirectly, by such Person or that is otherwise its legal liability or which such Person has agreed to purchase or repurchase or in respect of which such Person has agreed contingently to supply or advance funds; and (vi) obligations in respect of Currency Agreements and Interest Swap Obligations.

"INDENTURE" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof, and shall include the terms of particular series of Securities established as contemplated by Section 3.1; PROVIDED, HOWEVER, that, if at any time more than one Person is acting as Trustee under this instrument, "INDENTURE" shall mean, with respect to any one or more series of Securities for which such Person is Trustee, this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto

entered into pursuant to the applicable provisions hereof and shall include the terms of the or those particular series of Securities for which such Person is Trustee established as contemplated by Section 3.1, exclusive, however, of any provisions or terms which relate solely to the other series of Securities for which such Person is Trustee, regardless of when such terms or provisions were adopted, and exclusive of any provisions or terms adopted by means of one or more indentures supplemental hereto executed and delivered after such Person had become such Trustee but to which such Person, as such Trustee, was not a party.

"INDEXED SECURITY" means a Security the terms of which provide that the principal amount thereof payable at Stated Maturity may be more or less than the principal face amount thereof at original issuance.

"INTEREST", when used with respect to an Original Issue Discount Security which by its terms bears interest only after Maturity, shall mean interest payable after Maturity, and, when used with respect to a Security which provides for the payment of Additional Amounts pursuant to Section 10.9, includes such Additional Amounts.

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

"INTEREST SWAP OBLIGATIONS" means the obligations of any Person pursuant to any interest rate swap agreement, interest rate collar agreement or other similar agreement or arrangement designed to protect such Person or any of its Subsidiaries against fluctuations in interest rates.

"ISSUE DATE" means the first date on which a Security is authenticated by the Trustee pursuant to this Indenture.

"LIEN" means any mortgage, pledge, security interest, encumbrance, lien, charge or adverse claim affecting title or resulting in an encumbrance against real or personal property or a security interest of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof or any filing or agreement to file a financing statement as debtor under the Uniform Commercial Code or any similar statute other than to reflect ownership by a third party or property leased to the Company or any of its Subsidiaries under a lease that is not in the nature of a conditional sale or title retention agreement).

"MANDATORY SINKING FUND PAYMENT" has the meaning specified in Section 12.1.

"MARKET EXCHANGE RATE" means, unless otherwise specified with respect to any Securities pursuant to Section 3.1, (i) for any conversion involving a currency unit on the one hand and Dollars or any Foreign Currency on the other, the exchange rate between the relevant currency unit and Dollars or such Foreign Currency calculated by the method specified pursuant to Section 3.1 for the Securities of the relevant series, (ii) for any conversion of Dollars into any Foreign Currency, the noon buying rate for such Foreign Currency for cable transfers quoted in New York City as certified for customs purposes by the Federal Reserve Bank of New York and (iii) for any conversion of one Foreign Currency into Dollars or another Foreign Currency, the spot rate at noon local time in the relevant market at which, in accordance with normal banking procedures, the Dollars or Foreign Currency into which conversion is being made could be purchased with the Foreign Currency from which conversion is being made from major banks located in either New York City, London or any other principal market for Dollars or such purchased Foreign Currency, in each case determined by the Exchange Rate Agent. Unless otherwise specified with respect to any Securities pursuant to Section 3.1, in the event of the unavailability of any of the exchange rates provided for in the foregoing clauses (i), (ii) and (iii), the Exchange Rate Agent shall use, in its sole discretion and without liability on its part, such quotation of the Federal Reserve Bank of New York as of the most recent available date, or quotations from one or more major banks in New

York City, London or other principal market for such currency or currency unit in question, or such other quotations as the Exchange Rate Agent shall deem appropriate. Unless otherwise specified by the Exchange Rate Agent, if there is more than one market for dealing in any currency or currency unit by reason of foreign exchange regulations or otherwise, the market to be used in respect of such currency or currency unit shall be that upon which a nonresident issuer of securities designated in such currency or currency unit would purchase such currency or currency unit in order to make payments in respect of such securities.

"MATURITY", when used with respect to any Security, means the date on which the principal of such Security or an installment of principal becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration, notice of redemption, notice of option to elect repayment or otherwise.

"NOTICE OF DEFAULT" has the meaning specified in Section 5.1.

"OFFICERS' CERTIFICATE" means a certificate signed by the Chairman, the President or a Vice President and by the Treasurer, an Assistant Treasurer, the Comptroller or an Assistant Comptroller, the Secretary or an Assistant Secretary, of the Company, and delivered to the Trustee.

"OPINION OF COUNSEL" means a written opinion of counsel, who may be counsel for the Company or who may be an employee of or other counsel for the Company not unsatisfactory to the Trustee.

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"OPTIONAL RESET DATE" has the meaning specified in Section 3.7.

"OPTIONAL SINKING FUND PAYMENT" has the meaning specified in Section 12.1.

"ORIGINAL ISSUE DISCOUNT SECURITY" means any Security which provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 5.2.

"ORIGINAL STATED MATURITY" has the meaning specified in Section 3.8.

"OUTSTANDING", when used with respect to Securities, means, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, EXCEPT:

(i) Securities theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(ii) Securities, or portions thereof, for whose payment or redemption or repayment at the option of the Holder money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Company) in trust or set aside and segregated in trust by the Company (if the Company shall act as its own Paying Agent) for the Holders of such Securities and any coupons appertaining thereto, PROVIDED that, if such Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made;

(iii) Securities, except to the extent provided in Sections 14.2 and 14.3, with respect to which the Company has effected defeasance or covenant defeasance as provided in Article XIV; and

(iv) Securities which have been paid pursuant to Section 3.6 or in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities

in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Securities are held by a bona fide purchaser in whose hands such Securities are valid obligations of the Company;

PROVIDED, HOWEVER, that in determining whether the Holders of the requisite principal amount of the Outstanding Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder, and for the purpose of making the calculations required by TIA Section 313, (i) the principal amount of an Original Issue Discount Security that may be counted in making such determination or calculation and that shall be deemed to be Outstanding for such purpose shall be equal to the amount of principal thereof that would be (or shall have been declared to be) due and payable, at the time of such determination, upon a declaration of acceleration of the maturity thereof pursuant to Section 5.2, (ii) the principal amount of any

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Security denominated in a Foreign Currency that may be counted in making such determination or calculation and that shall be deemed Outstanding for such purpose shall be equal to the Dollar equivalent, determined as of the date such Security is originally issued by the Company as set forth in an Exchange Rate Officer's Certificate delivered to the Trustee, of the principal amount (or, in the case of an Original Issue Discount Security, the Dollar equivalent as of such date of original issuance of the amount determined as provided in clause (i) above) of such Security, (iii) the principal amount of any Indexed Security that may be counted in making such determination or calculation and that shall be deemed Outstanding for such purpose shall be equal to the principal face amount of such Indexed Security at original issuance, unless otherwise provided with respect to such Security pursuant to Section 3.1, and (iv) Securities owned by the Company or any other obligor upon the Securities or any Affiliate of the Company or such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in making such calculation or in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securities which the Trustee knows to be so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor.

"PAYING AGENT" means any Person authorized by the Company to pay the principal of (and premium, if any) or interest on any Securities or coupons on behalf of the Company.

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

"PLACE OF PAYMENT", when used with respect to the Securities of or within any series, means the place or places where the principal of (and premium, if any) and interest on such Securities are payable as specified as contemplated by Sections 3.1 and 10.2.

"PREDECESSOR SECURITY" of any particular Security means every previous Security evidencing all or a portion of the same debts as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 3.6 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security or a Security to which a mutilated, destroyed, lost or stolen coupon appertains shall be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Security or the Security to which the mutilated, destroyed, lost or stolen coupon appertains.

"PRINCIPAL PROPERTY" has the meaning specified in Section 10.7.

"REDEMPTION DATE", when used with respect to any Security to be redeemed, in whole or in part, means the date fixed for such redemption by or pursuant to this Indenture.

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

"REGISTERED SECURITY" shall mean any Security which is registered in the Security Register.

"REGULAR RECORD DATE" for the interest payable on any Interest Payment Date on the Registered Securities of or within any series means the date specified for that purpose as contemplated by Section 3.1, whether or not a Business Day.

"REPAYMENT DATE" means, when used with respect to any Security to be repaid at the option of the Holder, the date fixed for such repayment by or pursuant to this Indenture.

"REPAYMENT PRICE" means, when used with respect to any Security to be repaid at the option of the Holder, the price at which it is to be repaid by or pursuant to this Indenture.

"RESET NOTICE" has the meaning specified in Section 3.7.

"RESPONSIBLE OFFICER", when used with respect to the Trustee, means any officer of the Trustee assigned by the Trustee to administer its corporate trust matters.

"RESTRICTED SUBSIDIARY" means any Subsidiary of the Company that is not an Unrestricted Subsidiary.

"SALE AND LEASEBACK TRANSACTION" has the meaning specified in Section 10.6.

"SECURED DEBT" means indebtedness for money borrowed which is secured by a mortgage, pledge, lien, security interest or encumbrance on (a) any Principal Property of the Company or any Restricted Subsidiary or (b) any shares of stock or Indebtedness of any Restricted Subsidiary.

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

"SECURITY" or "SECURITIES" has the meaning stated in the first recital of this Indenture and, more particularly, means any Security or Securities authenticated and delivered under this Indenture; PROVIDED, HOWEVER, that, if at any time there is more than one Person acting as Trustee under this Indenture, "Securities" with respect to the Indenture as to which such Person is Trustee shall have the meaning stated in the first recital of this Indenture and shall more particularly mean Securities authenticated and delivered under this Indenture, exclusive, however, of Securities of any series as to which such Person is not Trustee.

"SECURITY REGISTER" and "SECURITY REGISTRAR" have the respective meanings specified in Section 3.5.

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"SPECIAL RECORD DATE" for the payment of any Defaulted Interest on the Registered Securities or within any series means a date fixed by the Trustee pursuant to Section 3.7.

"SPECIFIED AMOUNT" has the meaning specified in Section 3.12(h).

"STATED MATURITY", when used with respect to any Security or any installment of principal thereof or interest thereon, means the date specified in such Security or a coupon representing such installment of interest as the fixed date on which the principal of such Security or such installment of principal or interest is due and payable, as such date may be extended pursuant to the provisions of Section 3.8.

"SUBSEQUENT INTEREST PERIOD" has the meaning specified in Section 3.7.

"SUBSIDIARY" means a corporation, a majority of the Voting Stock of which at the time is owned, directly or indirectly, by the Company or by one or more other Subsidiaries, or by the Company and one or more other Subsidiaries.

"TRUST INDENTURE ACT" or "TIA" means the Trust Indenture Act of 1939 as in force at the date as of which this Indenture was executed, except as provided in Section 9.5.

"TRUSTEE" means the Person named as the "Trustee" in the first paragraph of this Indenture until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean or include each Person who is then a Trustee hereunder; PROVIDED, HOWEVER, that if at any time there is no more than one such Person, "Trustee" as used with respect to the Securities of any series shall mean only the Trustee with respect to Securities of that series.

"UNITED STATES" means, unless otherwise specified with respect to any Securities pursuant to Section 3.1, the United States of America (including the states and the District of Columbia), its territories, its possessions and all other areas subject to its jurisdiction.

"UNITED STATES PERSON" means, unless otherwise specified with respect to any Securities pursuant to Section 3.1, an individual who is a citizen or resident of the United States, a corporation, partnership or other entity created or organized in or under the laws of the United States or a political subdivision thereof, or an estate or trust the income of which is includable in gross income for United States federal income purposes regardless of its source.

"UNRESTRICTED SUBSIDIARY" means (a) any Subsidiary of the Company that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided below and (b) any Subsidiary of an Unrestricted Subsidiary. The Board of Directors may designate any Subsidiary of the Company (including any newly-acquired or newly-formed Subsidiary) to be an Unrestricted Subsidiary unless such Subsidiary owns any Capital Stock of, or owns or holds any lien on any property of, the Company or any other

Subsidiary of the Company that is not a Subsidiary of the Subsidiary so designated; provided, however, that the Subsidiary to be so designated has total assets of \$5 million or less.

"VALUATION DATE" has the meaning specified in Section 3.12(c).

"VOTING STOCK" means any class or classes of Capital Stock pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of any Person (irrespective of whether or not at the time stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

"YIELD TO MATURITY" means the yield to maturity, computed at the time of issuance of a Security (or, if applicable, at the most recent redetermination of interest on such Security) and as set forth in such Security in accordance with generally accepted United States bond yield computation principles.

SECTION 1.2 COMPLIANCE CERTIFICATES AND OPINIONS. Upon any application or request by the Company to the Trustee to take any action under any provision of this Indenture, the Company shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (other than pursuant to Section 10.8) shall include:

- (1) a statement that each individual signing such certificate or opinion has read such condition or covenant and the definitions herein relating thereto;
- (2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;
- (3) a statement that, in the opinion of each such individual, such individual has made such examination or investigation as is necessary to enable such individual to express an informed opinion as to whether or not such condition or covenant has been complied with; and
- (4) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

SECTION 1.3 FORM OF DOCUMENTS DELIVERED TO TRUSTEE. In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion as to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

With respect to matters of law, an Officers' Certificate may be based upon an Opinion of Counsel, unless the signers know, or in the exercise of reasonable care should know, that such Opinion of Counsel is erroneous. With respect to matters of fact, an Opinion of Counsel may rely on an Officers' Certificate or certificates of public officials, unless the signer knows, or in the exercise of reasonable care should know, that any such document is erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

SECTION 1.4 ACTS OF HOLDERS. (a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders of the Outstanding Securities of all series or one or more series, as the case may be, may be embodied in and

evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agents duly appointed in writing. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent, or of the holding by any Person of a Security, shall be sufficient for any purpose of this Indenture and conclusive in favor of the Trustee and the Company and any agent of the Trustee or the Company, if made in the manner provided in this Section 1.4.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgements of deeds, certifying that the individual signing such instrument or writing acknowledged to such witness, notary public or other officer the execution thereof. Where such execution is by a signer acting in other than its individual capacity, such certificate or affidavit shall also constitute sufficient proof of such signer's authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which the Trustee deems sufficient.

(c) The ownership of Registered Securities shall be proved by the Security Register.

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(d) The ownership of Bearer Securities may be proved by the production of such Bearer Securities or by a certificate executed, as depository, by any trust company, bank, banker or other depository, wherever situated, if such certificate shall be deemed by the Trustee to be satisfactory, showing that at the date therein mentioned such Person had on deposit with such depository, or exhibited to it, the Bearer Securities therein described; or such facts may be proved by the certificate or affidavit of the Person holding such Bearer Securities, if such certificate or affidavit is deemed by the Trustee to be satisfactory. The Trustee and the Company may assume that such ownership of any Bearer Security continues until (1) another certificate or affidavit bearing a later date issued in respect of the same Bearer Security is produced, or (2) such Bearer Security is produced to the Trustee by some other Person, or (3) such Bearer Security is surrendered in exchange for a Registered Security, or (4) such Bearer Security is no longer Outstanding. The ownership of Bearer Securities may also be proved in any other manner which the Trustee deems sufficient.

(e) If the Company shall solicit from the Holders of Registered Securities any request, demand, authorization, direction, notice, consent, waiver or other Act, the Company may, at its option, in or pursuant to a Board Resolution, fix in advance a record date for the determination of Holders entitled to give such request, demand, authorization, direction, notice, consent, waiver or other Act, but the Company shall have no obligation to do so. Notwithstanding TIA Section 316(c), such record date shall be the record date specified in or pursuant to such Board Resolution, which shall be a date not earlier than the date 30 days prior to the first solicitation of Holders generally in connection therewith and not later than the date such solicitation is completed. If such a record date is fixed, such request, demand, authorization, direction, notice, consent, waiver or other Act may be given before or after such record date, but only the Holders of record at the close of business on such record date shall be deemed to be Holders for the purposes of determining whether Holders of the requisite proportion of Outstanding Securities have authorized or agreed or consented to such request, demand, authorization, direction, notice, consent, waiver or other Act, and for that purpose the Outstanding Securities shall be computed as of such record date; PROVIDED that no such authorization, agreement or consent by the Holders on such record date shall be deemed effective unless it shall become effective pursuant to the provisions of this Indenture not later than eleven months after the record date.

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

SECTION 1.5 NOTICES, ETC., TO TRUSTEE AND COMPANY. Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with, the Trustee by any Holder or by the Company, or the Company by the Trustee or by any Holder, shall be

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sufficient for every purpose hereunder (unless otherwise herein expressly provided) if given in writing and delivered in person or by registered or certified mail (postage prepaid, return receipt requested), telex, telecopier or overnight air courier guaranteeing next day delivery, addressed as follows:

If to the Company:

Snap-On Incorporated
2801 80th Street
Kenosha, Wisconsin 53141-1410
Telecopy: 414-656-5717
Attention: General Counsel

If to the Trustee:

Firststar Trust Company
615 East Michigan Street
4th Floor
Milwaukee, Wisconsin 53202
Telecopy: 414-287-3904
Attention: Corporate Trust Services

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

Any notice or communication to the Company or the Trustee shall be deemed to have been duly given or made at the time delivered by hand if personally delivered; five calendar days after mailing if sent by registered or certified mail; when answered back, if telexed; when receipt is acknowledged, if telecopied; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery (except that a notice of change of address shall not be deemed to have been given until actually received by the addressee).

If a notice or communication is mailed in the manner provided above with the time prescribed, it is duly given, whether or not the addressee receives it.

SECTION 1.6 NOTICE TO HOLDERS; WAIVER. Where this Indenture provides for notice of any event to Holders of Registered Securities by the Company or the Trustee, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each such Holder affected by such event, at its address as it appears in the Security Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Holders of Registered Securities is given by mail, neither the failure to mail such notice, or any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with

respect to other Holders of Registered Securities or the sufficiency of any notice to Holders of Bearer Securities given as provided herein. Any notice mailed to a Holder in the manner herein prescribed shall be conclusively deemed to have been received by such Holder, whether or not such Holder actually receives such notice.

If by reason of the suspension of or irregularities in regular mail service or by reason of any other cause it shall be impracticable to give such notice by mail, then such notification to Holders of Registered Securities as shall be made with the approval of the Trustee shall constitute a sufficient notification to such Holders for every purpose hereunder.

Except as otherwise expressly provided herein or otherwise specified with respect to any Securities pursuant to Section 3.1, where this Indenture provides for notice to Holders of Bearer Securities of any event, such notice shall be sufficiently given if published in an Authorized Newspaper in The City of New York and in such other city or cities as may be specified in such Securities on two separate Business Days, such publications to be not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. Any such notice shall be deemed to have been given on the first date of such publications.

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

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

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

SECTION 1.7 EFFECT OF HEADINGS AND TABLE OF CONTENTS. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 1.8 SUCCESSORS AND ASSIGNS. All covenants and agreements in this Indenture and the Securities by the Company shall bind its successors and assigns, and all

agreements in this Indenture by the Trustee shall bind its successors, whether so expressed or not.

SECTION 1.9 SEPARABILITY CLAUSE. In case any provision in this Indenture or in any Security or coupon shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining

provisions shall not in any way be affected or impaired thereby.

SECTION 1.10 BENEFITS OF INDENTURE. Nothing in this Indenture or in the Securities or coupons, express or implied, shall give to any Person, other than the parties hereto, any Security Registrar, any Paying Agent, any Authenticating Agent and their successors hereunder and the Holders any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 1.11 GOVERNING LAW. This Indenture and the Securities and coupons shall be governed by and construed in accordance with the law of the State of New York. This Indenture is subject to the provisions of the Trust Indenture Act of 1939, as amended, that are required to be part of this Indenture and shall, to the extent applicable, be governed by such provisions.

SECTION 1.12 LEGAL HOLIDAYS. In any case where any Interest Payment Date, Redemption Date, Repayment Date, sinking fund payment date, Stated Maturity or Maturity of any Security shall not be a Business Day at any Place of Payment, then (notwithstanding any other provision of the Indenture or any Security or coupon other than a provision in the Securities of any series which specifically states that such provision shall apply in lieu of this Section), payment of interest or any Additional Amounts or principal (and premium, if any) need not be made at such Place of Payment on such date, but may be made on the next succeeding Business Day at such Place of Payment with the same force and effect as if made on the Interest Payment Date, Redemption Date, Repayment Date or sinking fund payment date, or at the Stated Maturity, PROVIDED that no interest shall accrue on the amount so payable for the period from and after such Interest Payment Date, Redemption Date, Repayment Date, sinking fund payment date, Stated Maturity or Maturity, as the case may be.

SECTION 1.13 COMMUNICATION BY HOLDERS WITH OTHER HOLDERS. Holders may communicate pursuant to TIA Section 312(b) with other Holders with respect to their rights under this Indenture or the Securities. The Company, the Trustee, the Registrar and anyone else shall have the protection of TIA Section 312(c).

SECTION 1.14 COUNTERPARTS. This Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Indenture.

SECTION 1.15 NO RECOURSE AGAINST OTHERS. A director, officer, employee or stockholder, as such, of the Company shall not have any liability for any obligations of the Company under the Securities or this Indenture or for any claim based on, in respect of or by

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reason of such obligations or their creation. Each Holder by accepting a Security waives and releases all such liability. The waiver and release are part of the consideration for the issue of Securities.

SECTION 1.16 NO ADVERSE INTERPRETATION OF OTHER AGREEMENTS. This Indenture may not be used to interpret another indenture, loan or debt agreement of the Company or any Subsidiary. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

ARTICLE II

SECURITIES FORMS

SECTION 2.1 FORMS OF SECURITIES. The Registered Securities, if any, of each series and the Bearer Securities, if any, of each series and related coupons shall be in substantially the forms as shall be established in one or more indentures supplemental hereto or approved from time to time by or pursuant to a Board Resolution in accordance with Section 3.1, shall have such appropriate insertions, omissions, substitutions and other variations as are

required or permitted by this Indenture or any indenture supplemental hereto, and may have such letters, numbers or other marks of identification or designation and such legends or endorsements placed thereon as the Company may deem appropriate and as are not inconsistent with the provisions of this Indenture, or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange on which the Securities may be listed, or to conform to usage.

Unless otherwise specified as contemplated by Section 3.1, Bearer Securities shall have interest coupons attached.

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

SECTION 2.2 FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION.
Subject to Section 6.11, the Trustee's certificate of authentication shall be in substantially the following form:

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

Firstar Trust Company, as Trustee

By:

Authorized Signatory

SECTION 2.3 SECURITIES ISSUABLE IN GLOBAL FORM. If Securities of or within a series are issuable in global form, as specified as contemplated by Section 3.1, then, notwithstanding clause (13) of Section 3.1 and the provisions of Section 3.2, any such Security shall represent such of the Outstanding Securities of such series as shall be specified therein and may provide that it shall represent the aggregate amount of Outstanding Securities of such series from time to time endorsed thereon and that the aggregate amount of Outstanding Securities of such series represented thereby may from time to time be increased or decreased to reflect exchanges. Any endorsement of a Security in global form to reflect the amount, or any increase or decrease in the amount, of Outstanding Securities represented thereby shall be made by the Trustee in such manner and upon instructions given by such Person or Persons as shall be specified therein or in the Company Order to be delivered to the Trustee pursuant to Section 3.3 or 3.4. Subject to the provisions of Section 3.3 and, if applicable, Section 3.4, the Trustee shall deliver and redeliver any Security in permanent global form in the manner and upon instructions given by the Person or Persons specified therein or in the applicable Company Order. If a Company Order pursuant to Section 3.3 or 3.4 has been, or simultaneously is, delivered, any instructions by the Company with respect to endorsement or delivery or redelivery of a Security in global form shall be in writing but need not comply with Section 1.2 and need not be accompanied by an Opinion of Counsel.

The provisions of the last sentence of Section 3.3 shall apply to any Security represented by a Security in global form if such Security was never issued and sold by the Company and the Company delivers to the Trustee the Security in global form together with written instructions (which need not comply with Section 1.2 and need not be accompanied by an Opinion of Counsel) with regard to the reduction in the principal amount of Securities represented thereby, together with the written statement contemplated by the last sentence of Section 3.3.

Notwithstanding the provisions of Section 3.7, unless otherwise specified as contemplated by Section 3.1, payment of principal of and any premium and interest on any Security in permanent global form shall be made to the Person or Persons specified therein.

Notwithstanding the provisions of Section 3.9 and except as provided in the preceding paragraph, the Company, the Trustee and any agent of the Company and the Trustee

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shall treat as the Holder of such principal amount of Outstanding Securities represented by a permanent global Security (i) in the case of a permanent global Security in registered form, the Holder of such permanent global Security in registered form, or (ii) in the case of a permanent global Security in bearer form, Euroclear or CEDEL.

ARTICLE III

THE SECURITIES

SECTION 3.1 AMOUNT UNLIMITED, ISSUABLE IN SERIES. The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited.

The Securities may be issued in one or more series. There shall be established in one or more Board Resolutions or pursuant to authority granted by one or more Board Resolutions and, subject to Section 3.3, set forth, or determined in the manner provided, in an Officers' Certificate, or established in one or more indentures supplemental hereto, prior to the issuance of Securities of any series, any or all of the following, as applicable (each of which (except for the matters set forth in clauses (1), (2) and (22) below), if so provided, may be determined from time to time by the Company with respect to unissued Securities of the series when issued from time to time):

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

(2) any limit upon the aggregate principal amount of the Securities of the series that may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of the series pursuant to Section 3.4, 3.5, 3.6, 9.6, 11.7 or 13.5);

(3) if other than the principal amount thereof, the portion of the principal amount of Securities of the series that shall be payable upon declaration of acceleration of the Maturity thereof pursuant to Section 5.2 or the method by which such portion shall be determined;

(4) the date or dates, or the method by which such date or dates will be determined or extended, on which the principal of the Securities of the series shall be payable;

(5) the rate or rates at which the Securities of the series shall bear interest, if any, or the method by which such rate or rates shall be determined, the date or dates from which such interest, if any, shall accrue or the method by which such date or dates shall be determined, the Interest Payment Dates on

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which such interest will be payable and the Regular Record Date or Dates, if any, for the interest payable on any Registered Security on any Interest Payment Date, or the method by which such date shall be determined, and the basis upon which interest shall be calculated if other than that of a 360-day year of twelve 30-day months;

(6) the period or periods within which, the price or prices at which, the currency or currencies, currency unit or units or composite currency or currencies in which (if other than Dollars), and other terms and conditions upon which, Securities of the series may be redeemed, in whole or in part, at the option of the Company and whether the Company is to have that option;

(7) the obligation, if any, of the Company to redeem, repay or purchase Securities of the series pursuant to any sinking fund or analogous provision or at the option of a Holder thereof, and the period or periods within which or the date or dates on which, the price or prices at which, the currency or currencies, currency unit or units or composite currency or currencies in which, and other terms and conditions upon which, Securities of the series shall be redeemed, repaid or purchased, in whole or in part, pursuant to such obligation;

(8) whether Securities of the series are to be issuable as Registered Securities, Bearer Securities (with or without coupons) or both, any restrictions applicable to the offer, sale or delivery of Bearer Securities and the terms upon which Bearer Securities of the series may be exchanged for Registered Securities of the series and VICE VERSA (if permitted by applicable laws and regulations), whether any Securities of the series are to be issuable initially in temporary global form and whether any Securities of the series are to be issuable in permanent global form with or without coupons and, if so, whether beneficial owners of interests in any such permanent global Security may exchange such interests for Securities of such series and of like tenor of any authorized form and denomination and the circumstances under which any such exchanges may occur, if other than in the manner provided in Section 3.5, and, if Registered Securities of the series are to be issuable as a global Security, the identity of the depository for such series;

(9) if other than Dollars, the currency or currencies, currency unit or units or composite currency or currencies (which may include composite currencies such as the ECU) in which payment of the principal of (and premium, if any) or interest or Additional Amounts, if any, on the Securities of the series shall be payable or in which the Securities of the series shall be denominated and the particular provisions applicable thereto in accordance with, in addition to or in lieu of any of the provisions of Section 3.12;

(10) whether the amount of payments of principal of (and premium, if any) or interest, if any, on the Securities of the series may be determined with reference to an index, formula or other method (which index, formula or method may be based, without limitation, on one or more currencies, currency units, composite currencies, commodities, equity indices or other indices), and the manner in which such amounts shall be determined;

(11) whether the Company or a Holder may elect payment of the principal of (and premium, if any) or interest or Additional Amounts, if any, on the Securities of the series in a currency or currencies, currency unit or units or composite currency or currencies other than that in which such Securities are denominated or stated to be payable, the period or periods within which (including the Election Date), and the terms and conditions upon which, such election may be made, and the time and manner of determining the exchange rate between the currency or currencies, currency unit or units or composite currency or currencies in which such

Securities are denominated or stated to be payable and the currency or currencies, currency unit or units or composite currency or currencies in which such Securities are to be so payable, in each case in accordance with, in addition to or in lieu of any of the provisions of Section 3.12;

(12) the place or places, if any, other than or in addition to the Corporate Trust Office of the Trustee, where the principal of (and premium, if any), interest, if any, on, and any Additional Amounts payable in respect of, Securities of the series shall be payable, any Registered Securities of the series may be surrendered for registration of transfer, Securities of the series may be surrendered for exchange and notices or demands to or upon the Company in respect of the Securities of the series and this Indenture may be served;

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

(14) if other than the Trustee, the identity of each Security Registrar or Paying Agent;

(15) the date as of which any Bearer Securities of the series and any temporary global Security representing Outstanding Securities of the series shall be dated if other than the date of original issuance of the first Security of the series to be issued;

(16) the applicability, if at all, of Section 14.2 or 14.3 to the Securities of the series and any provisions in modification of, in addition to or in lieu of any of the provisions of Article XIV;

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(17) the Person to whom any interest on any Registered Security of the series shall be payable, if other than the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, the manner in which, or the Person to whom, any interest on any Bearer Security of the series shall be payable, if otherwise than upon presentation and surrender of the coupons appertaining thereto as they severally mature, and the extent to which, or the manner in which, any interest payable on a temporary global Security on an Interest Payment Date will be paid if other than in the manner provided in Section 3.4;

(18) if the Securities of such series are to be issuable in definitive form (whether upon original issue or upon exchange of a temporary Security of such series) only upon receipt of certain certificates or other documents or satisfaction of other conditions, then the form and terms of such certificates, documents or conditions;

(19) if the Securities of the series are to be issued upon the exercise of warrants, the time, manner and place for such Securities to be authenticated and delivered;

(20) whether and under what circumstances the Company will pay Additional Amounts as contemplated by Section 10.9 on the Securities of the series to any Holder who is not a United States person (including any modification to the definition of such term) in respect of any tax, assessment or governmental charge and, if so, whether the Company will have the option to redeem such Securities rather than pay such Additional Amounts (and the terms of any such option);

(21) provisions, if any, granting special rights to the Holders of Securities of the series upon the occurrence of such events as may be specified;

(22) any deletions from, modifications of or additions to the Events of Default or covenants of the Company with respect to Securities of the series, whether or not such Events of Default or covenants are consistent with the Events of Default or covenants set forth herein;

(23) the designation of the initial Exchange Rate Agent, if any;
and

(24) any other terms of the series (which terms shall not be inconsistent with the provisions of this Indenture).

All Securities of any one series and the coupons appertaining to any Bearer Securities of such series shall be substantially identical except, in the case of Registered Securities, as to denomination and except as may otherwise be provided in or pursuant to such

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Board Resolution (subject to Section 3.3) and set forth in such Officers' Certificate or in any such indenture supplemental hereto. All Securities of any one series need not be issued at the same time and, unless otherwise provided, a series may be reopened, without the consent of the Holders, for issuances of additional Securities of such series.

If any of the terms of the Securities of any series are established by action taken pursuant to one or more Board Resolutions, a copy of an appropriate record of such action(s) shall be certified by the Secretary or an Assistant Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Officers' Certificate setting forth the terms of the Securities of such series.

SECTION 3.2 DENOMINATIONS. The Securities of each series shall be issuable in such denominations as shall be specified as contemplated by Section 3.1. With respect to Securities of any series denominated in Dollars, in the absence of any such provisions with respect to the Securities of any series, the Registered Securities of such series, other than Registered Securities issued in global form (which may be of any denomination) shall be issuable in denominations of \$1,000 and any integral multiple thereof, and the Bearer Securities of such series, other than Bearer Securities issued in global form (which may be of any denomination), shall be issuable in a denomination of \$5,000.

SECTION 3.3 EXECUTION, AUTHENTICATION, DELIVERY AND DATING. The Securities and any coupons appertaining thereto shall be executed on behalf of the Company by its Chairman, its President or one of its Vice Presidents, under its corporate seal reproduced thereon, and attested by its Secretary or one of its Assistant Secretaries. The signature of any of these officers on the Securities and coupons may be manual or facsimile signatures of the present or any future such authorized officer and may be imprinted or otherwise reproduced on the Securities.

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

At any time and from time to time after the execution of this Indenture, the Company may deliver Securities of any series, together with any coupon appertaining thereto, executed by the Company to the Trustee for authentication, together with a Company Order for the authentication and delivery of such Securities, and the Trustee in accordance with the Company Order shall authenticate and deliver such Securities; PROVIDED, HOWEVER, that, in connection with its original issuance, no Bearer Security shall be mailed or otherwise delivered to any location in the United States; and PROVIDED FURTHER

that, unless otherwise specified with respect to any series of Securities pursuant to Section 3.1, a Bearer Security may be delivered in connection with its original issuance only if the Person entitled to receive such Bearer Security shall have furnished a certificate in the form set forth in Exhibit A-1 to this Indenture or such

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other certificate as may be specified with respect to any series of Securities pursuant to Section 3.1, dated no earlier than 15 days prior to the earlier of the date on which such Bearer Security is delivered and the date on which any temporary Security first becomes exchangeable for such Bearer Security in accordance with the terms of such temporary Security and this Indenture. If any Security shall be represented by a permanent global Bearer Security, then, for purposes of this Section and Section 3.4, the notation of a beneficial owner's interest therein upon original issuance of such Security or upon exchange of a portion of a temporary global Security shall be deemed to be delivery in connection with its original issuance of such beneficial owner's interest in such permanent global Security. Except as permitted by Section 3.6, the Trustee shall not authenticate and deliver any Bearer Security unless all appurtenant coupons for interest then matured have been detached and cancelled. If all the Securities of any series are not to be issued at one time and if the Board Resolution or supplemental indenture establishing such series shall so permit, such Company Order may set forth procedures acceptable to the Trustee for the issuance of such Securities and determining the terms of particular Securities of such series, such as interest rate, maturity date, date of issuance and date from which interest shall accrue. In authenticating such Securities, and accepting the additional responsibilities under this Indenture in relation to such Securities, the Trustee shall be entitled to receive, and (subject to TIA Sections 315(a) through 315(d)) shall be fully protected in relying upon,

(i) an Opinion of Counsel stating,

(a) that the form or forms of such Securities and any coupons have been established in conformity with the provisions of this Indenture;

(b) that the terms of such Securities and any coupons have been established in conformity with the provisions of this Indenture; and

(c) that such Securities, together with any coupons appertaining thereto, when completed by appropriate insertions and executed and delivered by the Company to the Trustee for authentication in accordance with this Indenture, authenticated and delivered by the Trustee in accordance with this Indenture and issued by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute legal, valid and binding obligations of the Company, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization and other similar laws of general applicability relating to or affecting the enforcement of creditors' rights, to general equitable principles and to such other qualifications as such counsel shall conclude do not materially affect the rights of Holders of such Securities and any coupons; and

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(ii) an Officers' Certificate stating, to the best of the knowledge of the signers of such certificate, that no Event of Default with respect to any of the Securities shall have occurred and be continuing.

If such form or terms have been so established, the Trustee shall not be required to authenticate such Securities if the issue of such Securities

pursuant to this Indenture will affect the Trustee's own rights, duties, obligations or immunities under the Securities and this Indenture or otherwise in a manner which is not reasonably acceptable to the Trustee. Notwithstanding the generality of the foregoing, the Trustee will not be required to authenticate Securities denominated in a Foreign Currency if the Trustee reasonably believes that it would be unable to perform its duties with respect to such Securities.

Notwithstanding the provisions of Section 3.1 and of the preceding paragraph, if all the Securities of any series are not to be issued at one time, it shall not be necessary to deliver an Officers' Certificate otherwise required pursuant to Section 3.1 or a Company Order, or an Opinion of Counsel or an Officers' Certificate otherwise required pursuant to the preceding paragraph at the time of issuance of each Security of such series, but such order, opinion and certificates, with appropriate modifications to cover such future issuances, shall be delivered at or before the time of issuance of the first Security of such series.

Each Registered Security shall be dated the date of its authentication and each Bearer Security shall be dated as of the date specified as contemplated by Section 3.1.

No Security or coupon shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security or Security to which such coupon appertains a certificate of authentication substantially in the form provided for herein duly executed by the Trustee by manual signature of an authorized signatory, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder and is entitled to the benefits of this Indenture. Notwithstanding the foregoing, if any Security shall have been authenticated and delivered hereunder but never issued and sold by the Company, and the Company shall deliver such Security to the Trustee for cancellation as provided in Section 3.10 together with a written statement (which need not comply with Section 1.2 and need not be accompanied by an Opinion of Counsel) stating that such Security has never been issued and sold by the Company, for all purposes of this Indenture such Security shall be deemed never to have been authenticated and delivered hereunder and shall never be entitled to the benefits of this Indenture.

SECTION 3.4 TEMPORARY SECURITIES. (a) Pending the preparation of definitive Securities of any series, the Company may execute, and upon Company Order the Trustee shall authenticate and deliver, temporary Securities which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Securities in lieu of which they are issued, in registered form, or, if authorized, in bearer form with one or more coupons or without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities

may determine, as conclusively evidenced by their execution of such Securities. In the case of Securities of any series, such temporary Securities may be in global form.

Except in the case of temporary Securities in global form (which shall be exchanged in accordance with Section 3.4(b) or as otherwise provided in or pursuant to a Board Resolution), if temporary Securities of any series are issued, the Company will cause definitive Securities of that series to be prepared without unreasonable delay. After the preparation of definitive Securities of such series, the temporary Securities of such series shall be exchangeable for definitive Securities of such series, the temporary Securities of such series at the office or agency of the Company in a Place of Payment for that series, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities of any series (accompanied by any non-matured coupons appertaining thereto), the Company shall execute and the

Trustee shall authenticate and deliver in exchange therefor a like principal amount of definitive Securities of the same series of authorized denominations; PROVIDED, HOWEVER, that no definitive Bearer Security shall be delivered in exchange for a temporary Registered Security; and PROVIDED FURTHER that a definitive Bearer Security shall be delivered in exchange for a temporary Bearer Security only in compliance with the conditions set forth in Section 3.3. Until so exchanged, the temporary Securities of any series shall in all respects be entitled to the same benefits under this Indenture as definitive Securities of such series.

(b) Unless otherwise provided in or pursuant to a Board Resolution, this Section 3.4(b) shall govern the exchange of temporary Securities issued in global form. If temporary Securities of any series are issued in global form, any such temporary global Security shall, unless otherwise provided therein, be delivered to the London office of a depository or common depository (the "Common Depository"), for the benefit of Euroclear and CEDEL, for credit to the respective accounts of the beneficial owners of such Securities (or to such other accounts as they may direct).

Without unnecessary delay but in any event not later than the date specified in, or determined pursuant to the terms of, any such temporary global Security (the "Exchange Date"), the Company shall deliver to the Trustee definitive Securities, in aggregate principal amount equal to the principal amount of such temporary global Security, executed by the Company. On or after the Exchange Date, such temporary global Security shall be surrendered by the Common Depository to the Trustee, as the Company's agent for such purpose, to be exchanged, in whole or from time to time in part, for definitive Securities without charge, and the Trustee shall authenticate and deliver, in exchange for each portion of such temporary global Security, an equal aggregate principal amount of definitive Securities of the same series of authorized denominations and of like tenor as the portion of such temporary global Security to be exchanged. The definitive Securities to be delivered in exchanged for any such temporary global Security shall be in bearer form, registered form, permanent global bearer form or permanent global registered form, or any combination thereof, as specified as contemplated by Section 3.1, and, if any combination thereof is so specified, as requested by the beneficial owner thereof; PROVIDED, HOWEVER, that, unless otherwise specified in such temporary global Security upon such presentation by the Common Depository, such temporary global Security is

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accompanied by a certificate dated the Exchange Date or a subsequent date and signed by Euroclear as to the portion of such temporary global Security held for its account then to be exchanged and a certificate dated the Exchange Date or a subsequent date and signed by CEDEL as to the portion of such temporary global Security held for its account then to be exchanged, each in the form set forth in Exhibit A-2 to this Indenture or in such other form as may be established pursuant to Section 3.1; and PROVIDED FURTHER that definitive Bearer Securities shall be delivered in exchange for a portion of a temporary global Security only in compliance with the requirements of Section 3.3.

Unless otherwise specified in such temporary global Security, the interest of a beneficial owner of Securities of a series in a temporary global Security shall be exchanged for definitive Securities of the same series and of like tenor following the Exchange Date when the account holder instructs Euroclear or CEDEL, as the case may be, to request such exchange on its behalf and delivers to Euroclear or CEDEL, as the case may be, a certificate in the form set forth in Exhibit A-1 to this Indenture (or in such other form as may be established pursuant to Section 3.1), dated no earlier than 15 days prior to the Exchange Date, copies of which certificate shall be available from the offices of Euroclear and CEDEL, the Trustee, any Authenticating Agent appointed for such series of Securities and each Paying Agent. Unless otherwise specified in such temporary global Security, any such exchange shall be made free of charge to the beneficial owners of such temporary global Security, except that a Person receiving definitive Securities must bear the cost of insurance, postage,

transportation and the like unless such Person takes delivery of such definitive Securities in person at the offices of Euroclear or CEDEL. Definitive Securities in bearer form to be delivered in exchange for any portion of a temporary global Security shall be delivered only outside the United States.

Until exchanged in full as hereinabove provided, the temporary Securities of any series shall in all respects be entitled to the same benefits under this Indenture as definitive Securities of the same series and of like tenor authenticated and delivered hereunder, except that, unless otherwise specified as contemplated by Section 3.1, interest payable on a temporary global Security on an Interest Payment Date for Securities of such series occurring prior to the applicable Exchange Date shall be payable to Euroclear and CEDEL on such Interest Payment Date upon delivery by Euroclear and CEDEL to the Trustee of a certificate or certificates in the form set forth in Exhibit A-2 to this Indenture (or in such other forms as may be established pursuant to Section 3.1), for credit without further interest on or after such Interest Payment Date to the respective accounts of Persons who are the beneficial owners of such temporary global Security on such Interest Payment Date and who have each delivered to Euroclear or CEDEL, as the case may be, a certificate dated no earlier than 15 days prior to the Interest Payment Date occurring prior to such Exchange Date in the form set forth as Exhibit A-1 to this Indenture (or in such other forms as may be established pursuant to Section 3.1). Notwithstanding anything to the contrary herein contained, the certifications made pursuant to this paragraph shall satisfy the certification requirements of the preceding two paragraphs of this Section 3.4(b) and of the third paragraph of Section 3.3 of this Indenture, and the interests of the Persons who are the beneficial owners of the temporary global Security with respect to which such certification was made will be exchanged for definitive Securities of the same series and of like tenor

on the Exchange Date or the date of certification if such date occurs after the Exchange Date, without further act or deed by such beneficial owners. Except as otherwise provided in this paragraph, no payments of principal or interest owing with respect to a beneficial interest in a temporary global Security will be made unless and until such interest in such temporary global Security shall have been exchanged for an interest in a definitive Security. Any interest so received by Euroclear and CEDEL and not paid as herein provided shall be returned to the Trustee prior to the expiration of two years after such Interest Payment Date in order to be repaid to the Company.

SECTION 3.5 REGISTRATION, REGISTRATION OF TRANSFER AND EXCHANGE. The Company shall cause to be kept at the Corporate Trust Office of the Trustee or in any other office or agency of the Company in a Place of Payment a register for each series of Securities (the registers maintained in such office or in any such office or agency of the Company in a Place of Payment being herein sometimes referred to collectively as the "Security Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Registered Securities and of transfers of Registered Securities. The Security Register shall be in written form or any other form capable of being converted into written form within a reasonable time. The Trustee, at its Corporate Trust Office, is hereby initially appointed "Security Registrar" for the purpose of registering Registered Securities and transfers of Registered Securities on such Security Register as herein provided. In the event that the Trustee shall cease to be Security Registrar, it shall have the right to examine the Security Register at all reasonable times.

Upon surrender for registration of transfer of any Registered Security of any series at any office or agency in a Place of Payment for that series, the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Registered Securities of the same series, of any authorized denominations and of a like aggregate principal amount, bearing a number not contemporaneously outstanding, and containing identical terms and provisions.

At the option of the Holder, Registered Securities of any series may be exchanged for other Registered Securities of the same series, of any authorized denomination or denominations and of a like aggregate principal amount, containing identical terms and provisions, upon surrender of the Registered Securities to be exchanged at any such office or agency. Whenever any Registered Securities are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the Registered Securities which the Holder making the exchange is entitled to receive. Unless otherwise specified with respect to any series of Securities as contemplated by Section 3.1, Bearer Securities may not be issued in exchange for Registered Securities.

If (but only if) permitted by the applicable Board Resolution and (subject to Section 3.3) set forth in the applicable Officers' Certificate, or in any indenture supplemental hereto, delivered as contemplated by Section 3.1, at the option of the Holder, Bearer Securities of any series may be exchanged for Registered Securities of the same series of any authorized

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denominations and of a like aggregate principal amount and tenor, upon surrender of the Bearer Securities to be exchanged at any such office or agency, with all unmatured coupons and all matured coupons in default thereto appertaining. If the Holder of a Bearer Security is unable to produce any such unmatured coupon or coupons or matured coupon or coupons in default, any such permitted exchange may be effected if the Bearer Securities are accompanied by payment in funds acceptable to the Company in an amount equal to the face amount of such missing coupon or coupons, or the surrender of such missing coupon or coupons may be waived by the Company and the Trustee if there is furnished to them such security or indemnity as they may require to save each of them and any Paying Agent harmless. If thereafter the Holder of such Security shall surrender to any Paying Agent any such missing coupon in respect of which such a payment shall have been made, such Holder shall be entitled to receive the amount of such payment; PROVIDED, HOWEVER, that, except as otherwise provided in Section 10.2, interest represented by coupons shall be payable only upon presentation and surrender of those coupons at an office or agency located outside the United States. Notwithstanding the foregoing, in case a Bearer Security of any series is surrendered at any such office or agency in a permitted exchange for a Registered Security of the same series and like tenor after the close of business at such office or agency on (i) any Regular Record Date and before the opening of business at such office or agency on the relevant Interest Payment Date, or (ii) any Special Record Date and before the opening of business at such office or agency on the related proposed date for payment of Defaulted Interest, such Bearer Security shall be surrendered without the coupon relating to such Interest Payment Date or proposed date for payment, as the case may be, and interest or Defaulted Interest, as the case may be, will not be payable on such Interest Payment Date or proposed date for payment, as the case may be, in respect of the Registered Security issued in exchange for such Bearer Security, but will be payable only to the Holder of such coupon when due in accordance with the provisions of this Indenture.

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

Notwithstanding the foregoing, except as otherwise specified as contemplated by Section 3.1, any permanent global Security shall be exchangeable only as provided in this paragraph. If any beneficial owner of an interest in a permanent global Security is entitled to exchange such interest for Securities of such series and of like tenor and principal amount of another authorized form and denomination, as specified as contemplated by Section 3.1 and provided that any applicable notice provided in the permanent global Security shall have been given, then without unnecessary delay but in any event not later than the earliest date on which such interest may be so exchanged, the Company shall deliver to the Trustee definitive Securities in aggregate principal amount equal to the principal amount of such beneficial owner's interest in such permanent

global Security, executed by the Company. On or after the earliest date on which such interests may be so exchanged, such permanent global Security shall be surrendered by the Common Depository or such other depository as shall be specified in the Company Order with respect thereto to the Trustee, as the Company's agent for such purpose, to be exchanged, in whole or from time to time in part, for definitive Securities without charge and the Trustee

shall authenticate and deliver, in exchange for each portion of such permanent global Security, an equal aggregate principal amount of definitive Securities of the same series of authorized denominations and of like tenor as the portion of such permanent global Security to be exchanged which, unless the Securities of the series are not issuable both as Bearer Securities and as Registered Securities, as specified as contemplated by Section 3.1, shall be in the form of Bearer Securities or Registered Securities, or any combination thereof, as shall be specified by the beneficial owner thereof; PROVIDED, HOWEVER, that no such exchanges may occur during a period beginning at the opening of business 15 days before any selection of Securities to be redeemed and ending on the relevant Redemption Date if the Security for which exchange is requested may be among those selected for redemption; and PROVIDED FURTHER that no Bearer Security delivered in exchange for a portion of a permanent global Security shall be mailed or otherwise delivered to any location in the United States. If a Registered Security is issued in exchange for any portion of a permanent global Security after the close of business at the office or agency where such exchange occurs on (i) any Regular Record Date and before the opening of business at such office or agency on the relevant Interest Payment Date, or (ii) any Special Record Date and the opening of business at such office or agency on the related proposed date for payment of Defaulted Interest, interest or Defaulted Interest, as the case may be, will not be payable on such Interest Payment Date or proposed date for payment, as the case may be, in respect of such Registered Security, but will be payable on such Interest Payment Date or proposed date for payment, as the case may be, only to the Person to whom interest in respect of such portion of such permanent global Security is payable in accordance with the provisions of this Indenture.

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

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

No service charge shall be made for any registration of transfer or exchange or redemption of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Section 3.4, 9.6, 11.7 or 13.5 not involving any transfer.

The Company shall not be required (i) to issue, register the transfer of or exchange any Security if such Security may be among those selected for redemption during a period beginning at the opening of business 15 days before selection of the Securities to be redeemed under Section 11.3 and ending at the close of business on (A) if such Securities are

issuable only as Registered Securities, the day of the mailing of the relevant

notice of redemption and (B) if such Securities are issuable as Bearer Securities, the day of the first publication of the relevant notice of redemption or, if such Securities are also issuable as Registered Securities and there is no publication, the mailing of the relevant notice of redemption, or (ii) to register the transfer of or exchange any Registered Security so selected for redemption in whole or in part, except, in the case of any Registered Security to be redeemed in part, the portion thereof not to be redeemed, or (iii) to exchange any Bearer Security so selected for redemption except that such a Bearer Security may be exchanged for a Registered Security of that series and like tenor, PROVIDED that such Registered Security shall be simultaneously surrendered for redemption, or (iv) to issue, register the transfer of or exchange any Security which has been surrendered for repayment at the option of the Holder, except the portion, if any, of such Security not to be so repaid.

SECTION 3.6 MUTILATED, DESTROYED, LOST AND STOLEN SECURITIES.

If any mutilated Security or a Security with a mutilated coupon appertaining to it is surrendered to the Trustee, together with, in proper cases, such security or indemnity as may be required by the Company or the Trustee to save each of them or any agent of either of them harmless, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a new Security of the same series and principal amount, containing identical terms and provisions and bearing a number not contemporaneously outstanding, with coupons corresponding to the coupons, if any, appertaining to the surrendered Security.

If there shall be delivered to the Company and to the Trustee (i) evidence to their satisfaction of the destruction, loss or theft of any Security or coupon, and (ii) such security or indemnity as may be required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Company or the Trustee that such Security or coupon has been acquired by a bona fide purchaser, the Company shall execute and upon its request the Trustee shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Security or in exchange for the Security to which a destroyed, lost or stolen coupon appertains (with all appurtenant coupons not destroyed, lost or stolen), a new Security of the same series and principal amount, containing identical terms and provisions and bearing a number not contemporaneously outstanding, with coupons corresponding to the coupons, if any, appertaining to such destroyed, lost or stolen Security or to the Security to which such destroyed, lost or stolen coupon appertains.

Notwithstanding the provisions of the previous two paragraphs, in case any such mutilated, destroyed, lost or stolen Security or coupon has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Security, with coupons corresponding to the coupons, if any, appertaining to such destroyed, lost or stolen Security or to the Security to which such destroyed, lost or stolen coupon appertains, pay such Security or coupon; PROVIDED, HOWEVER, that payment of principal of (and premium, if any), any interest on and any Additional Amounts with respect to, Bearer Securities shall, except as otherwise provided in Section 10.2, be payable only at an office or agency located outside the United States and, unless otherwise specified as contemplated by Section 3.1, any interest on Bearer

Securities shall be payable only upon presentation and surrender of the coupons appertaining thereto.

Upon the issuance of any new Security under this Section 3.6, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Security of any series with its coupons, if any, issued pursuant to this Section 3.6 in lieu of any destroyed, lost or stolen Security, or in exchange for a Security to which a destroyed, lost or stolen coupon appertains, shall constitute an original, additional, contractual obligation of the Company, whether or not the destroyed, lost or stolen Security and its

coupons, if any, or the destroyed, lost or stolen coupon shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities of that series and their coupons, if any, duly issued hereunder.

The provisions of this Section 3.6 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities or coupons.

SECTION 3.7 PAYMENT OF INTEREST; INTEREST RIGHTS PRESERVED; OPTIONAL INTEREST RESET. (a) Except as otherwise specified with respect to a series of Securities in accordance with the provisions of Section 3.1, interest on any Registered Security that is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest at the office or agency of the Company maintained for such purpose pursuant to Section 10.2; PROVIDED, HOWEVER, that each installment of interest on any Registered Security may at the Company's option be paid by (i) mailing a check for such interest, payable to or upon the written order of the Person entitled thereto pursuant to Section 3.9, to the address of such Person as it appears on the Security Register or (ii) wire transfer to an account maintained by the Person entitled thereto as specified in the Security Register.

Unless otherwise provided as contemplated by Section 3.1, every permanent global Security will provide that interest, if any, payable on any Interest Payment Date will be paid to each of Euroclear and CEDEL with respect to that portion of such permanent global Security held for its account by the Common Depository, for the purpose of permitting each of Euroclear and CEDEL to credit the interest received by it in respect of such permanent global Security to the accounts of the beneficial owners thereof.

In case a Bearer Security of any series is surrendered in exchange for a Registered Security of such series after the close of business (at an office or agency in a Place of Payment for such series) on any Regular Record Date and before the opening of business (at such office or agency) on the next succeeding Interest Payment Date, such Bearer Security shall be surren-

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dered without the coupon relating to such Interest Payment Date and interest will not be payable on such Interest Payment Date in respect of the Registered Security issued in exchange for such Bearer Security, but will be payable only to the Holder of such coupon when due in accordance with the provisions of this Indenture.

Except as otherwise specified with respect to a series of Securities in accordance with the provisions of Section 3.1, any interest on any Registered Security of any series that is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the registered Holder thereof on the relevant Regular Record Date by virtue of having been such Holder, and such Defaulted Interest may be paid by the Company, at its election in each case, as provided in clause (1) or (2) below:

(1) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Registered Securities of such series (or their respective Predecessor Securities) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Registered Security of such series and the date of the proposed payment (which shall not be less than 20 days after such notice is received by the Trustee), and at the same time the Company shall deposit with the Trustee an amount of money in the currency or currencies,

currency unit or units, composite currency or currencies in which the Securities of such series are payable (except as otherwise specified pursuant to Section 3.1 for the Securities of such series and except, if applicable, as provided in Sections 3.12(b), 3.12(d) and 3.12(c)) equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit on or prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this clause provided. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not be more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder of Registered Securities of such series at its address as it appears in the Security Register not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names the Registered Securities of such series (or their respective Predecessor Securities) are registered at the close of business on such Special Record Date and shall no

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longer be payable pursuant to the following clause (2). In case a Bearer Security of any series is surrendered at the office or agency in a Place of Payment for such series in exchange for a Registered Security of such series after the close of business at such office or agency on any Special Record Date and before the opening of business at such office or agency on the related proposed date for payment of Defaulted Interest, such Bearer Security shall be surrendered without the coupon relating to such proposed date of payment and Defaulted Interest will not be payable on such proposed date of payment in respect of the Registered Security issued in exchange for such Bearer Security, but will be payable only to the Holder of such coupon when due in accordance with the provisions of this Indenture.

(2) The Company may make payment of any Defaulted Interest on the Registered Securities of any series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Securities may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustee of the proposed payment pursuant to clause (1) above, such manner of payment shall be deemed practicable by the Trustee.

(b) The provisions of this Section 3.7(b) may be made applicable to any series of Securities pursuant to Section 3.1 (with such modifications, additions or substitutions as may be specified pursuant to such Section 3.1). The interest rate (or the spread or spread multiplier used to calculate such interest rate, if applicable) on any Security of such series may be reset by the Company on the date or dates specified on the face of such Security (each an "Optional Reset Date"). The Company may exercise such option with respect to such Security by notifying the Trustee of such exercise at least 50 but not more than 60 days prior to an Optional Reset Date for such Security. Not later than 40 days prior to each Optional Reset Date, the Trustee shall transmit, in the manner provided for in Section 1.6, to the Holder of any such Security a notice (the "Reset Notice") indicating whether the Company has elected to reset the interest rate (or the spread multiplier used to calculate such interest rate, if applicable), and if so (i) such new interest rate (or such new spread or spread multiplier, if applicable) and (ii) the provisions, if any, for redemption during the period from such Optional Reset Date to the next Optional Reset Date or if there is no such next Optional Reset Date, to the Stated Maturity Date of such Security (each such period a "Subsequent Interest

Period"), including the date or dates on which or the period or periods during which and the price or prices at which such redemption may occur during the Subsequent Interest Period.

Notwithstanding the foregoing, not later than 20 days prior to the Optional Reset Date, the Company may, at its option, revoke the interest rate (or the spread or spread multiplier used to calculate such interest rate, if applicable) provided for in the Reset Notice and establish an interest rate (or a spread or spread multiplier used to calculate such interest rate, if applicable) that is higher than the interest rate (or the spread or spread multiplier, if applicable) provided for in the Reset Notice, for the Subsequent Interest Period by causing the Trustee to

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transmit, in the manner provided for in Section 1.6, notice of such higher interest rate (or such higher spread or spread multiplier, if applicable) to the Holder of such Security. Such notice shall be irrevocable. All Securities with respect to which the interest rate (or the spread or spread multiplier used to calculate such interest rate, if applicable) is reset on an Optional Reset Date, and with respect to which the Holders of such Securities have not tendered such Securities for repayment (or have validly revoked any such tender) pursuant to the next succeeding paragraph, will bear such higher interest rate (or such higher spread or spread multiplier, if applicable).

The Holder of any such Security will have the option to elect repayment by the Company of the principal of such Security on each Optional Reset Date at a price equal to the principal amount thereof plus interest accrued to such Optional Reset Date. In order to obtain repayment on an Optional Reset Date, the Holder must follow the procedure set forth in Article XIII for repayment at the option of Holders except that the period for delivery or notification to the Trustee shall be at least 25 but not more than 35 days prior to the such Optional Reset Date and except that, if the Holder has tendered any Security for repayment pursuant to the Reset Notice, the Holder may, by written notice to the Trustee, revoke such tender or repayment until the close of business on the tenth day before such Optional Reset Date.

Subject to the foregoing provisions of this Section 3.7 and Section 3.5, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

SECTION 3.8 OPTIONAL EXTENSION OF MATURITY. The provisions of this Section 3.8 may be made applicable to any series of Securities pursuant to Section 3.1 (with such modifications, additions or substitutions as may be specified pursuant to Section 3.1). The Stated Maturity of any Security of such series may be extended at the option of the Company for the period or periods specified on the face of such Security (each an "Extension Period") up to but not beyond the date (the "Final Maturity") set forth on the face of such Security. The Company may exercise such option with respect to any Security by notifying the Trustee of such exercise at least 50 but not more than 60 days prior to the Stated Maturity of such Security in effect prior to the exercise of such option (the "Original Stated Maturity"). If the Company exercises such option, the Trustee shall transmit, in the manner provided for in Section 1.6, to the Holder of such Security not later than 40 days prior to the Original Stated Maturity a notice (the "Extension Notice") indicating (i) the election of the Company to extend the Maturity, (ii) the new Stated Maturity, (iii) the interest rate applicable to the Extension Period and (iv) the provisions, if any, for redemption during such Extension Period. Upon the Trustee's transmittal of the Extension Notice, the Stated Maturity of such Security shall be extended automatically and, except as modified by the Extension Notice and as described in the next paragraph, such Security will have the same terms as prior to the transmittal of such Extension Notice.

Notwithstanding the foregoing, not later than 20 days before the

Original Stated Maturity of such Security, the Company may, at its option, revoke the interest rate provided for

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in the Extension Notice and establish a higher interest rate for the Extension Period by causing the Trustee to transmit, in the manner provided for in Section 1.6, notice of such higher interest rate to the Holder of such Security. Such notice shall be irrevocable. All Securities with respect to which the Stated Maturity is extended will bear such higher interest rate.

If the Company extends the Maturity of any Security, the Holder will have the option to elect repayment of such Security by the Company on the Original Stated Maturity at a price equal to the principal amount thereof, plus interest accrued to such date. In order to obtain repayment on the Original Stated Maturity once the Company has extended the Maturity thereof, the Holder must follow the procedures set forth in Article XIII for repayment at the option of Holders, except that the period for delivery or notification to the Trustee shall be at least 25 but not more than 35 days prior to the Original Stated Maturity and except that, if the Holder has tendered any Security for repayment pursuant to an Extension Notice, the Holder may by written notice to the Trustee revoke such tender for repayment until the close of business on the tenth day before the Original Stated Maturity.

SECTION 3.9 PERSONS DEEMED OWNERS. Prior to due presentment of a Registered Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name such Registered Security is registered as the owner of such Security for the purpose of receiving payment of principal of (and premium, if any), and (subject to Sections 3.5 and 3.7) interest on, such Registered Security and for all other purposes whatsoever, whether or not such Registered Security be overdue, and neither the Company, the Trustee nor any agent of the Company or the Trustee shall be affected by notice to the contrary.

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

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

Notwithstanding the foregoing, with respect to any global Security, nothing herein shall prevent the Company, the Trustee, or any agent of the Company or the Trustee, from giving effect to any written certification, proxy or other authorization furnished by any depository, as a Holder, with respect to such global Security or impair, as between such depository and owners of beneficial interests in such global Security, the operation of customary

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practices governing the exercise of the rights of such depository (or its nominee) as Holder of such global Security.

SECTION 3.10 CANCELLATION. All Securities and coupons surrendered for payment, redemption, repayment at the option of the Holder, registration of transfer or exchange or for credit against any sinking fund

payment shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee, and any such Securities and coupons and Securities and coupons surrendered directly to the Trustee for any such purpose shall be promptly cancelled by it. The Company may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever, and may deliver to the Trustee (or to any other Person for delivery to the Trustee) for cancellation any Securities previously authenticated hereunder which the Company has not issued and sold, and all Securities so delivered shall be promptly cancelled by the Trustee. If the Company shall so acquire any of the Securities, however, such acquisition shall not operate as a redemption or satisfaction of the indebtedness represented by such Securities unless and until the same are surrendered to the Trustee for cancellation. No Securities shall be authenticated in lieu of or in exchange for any Securities cancelled as provided in this Section 3.10, except as expressly permitted by this Indenture. Cancelled Securities and coupons held by the Trustee shall be returned to the Company.

SECTION 3.11 COMPUTATION OF INTEREST. Except as otherwise specified as contemplated by Section 3.1 with respect to Securities of any series, interest on the Securities of each series shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

SECTION 3.12 CURRENCY AND MANNER OF PAYMENTS IN RESPECT OF SECURITIES. (a) Unless otherwise specified with respect to any Securities pursuant to Section 3.1, with respect to Registered Securities of any series not permitting the election provided for in paragraph (b) below or the Holders of which have not made the election provided for in paragraph (b) below, and with respect to Bearer Securities of any series, except as provided in paragraph (d) below, payment of the principal of (and premium, if any) and interest, if any, on, and Additional Amounts, if any, in respect of any Registered or Bearer Security of such series will be made in the currency or currencies, currency unit or units or composite currency or currencies in which such Registered Security or Bearer Security, as the case may be, is payable. The provisions of this Section 3.12 may be modified or superseded with respect to any Securities pursuant to Section 3.1.

(b) It may be provided pursuant to Section 3.1 with respect to Registered Securities of any series that Holders shall have the option, subject to paragraphs (c) and (d) below, to receive payments of principal of (and premium, if any) or interest, if any, on and Additional Amounts, if any, in respect of such Registered Securities in any of the currencies, currency units or composite currencies which may be designated for such election by delivering to the Trustee for such series of Registered Securities a written election with signature guarantees and in the applicable form established pursuant to Section 3.1, not later than the close of business on the Election Date immediately preceding the applicable payment date. If a Holder

so elects to receive such payments in any such currency, currency unit or composite currency, such election will remain in effect for such Holder or any transferee of such Holder until changed by such Holder or such transferee by written notice to the Trustee for such series of Registered Securities (but any such change must be made not later than the close of business on the Election Date immediately preceding the next payment date to be effective for the payment to be made on such payment date, and no such change of election may be made with respect to payments to be made on any Registered Security of such series with respect to which an Event of Default has occurred or with respect to which the Company has deposited funds pursuant to Article IV or XIV or with respect to which a notice of redemption has been given by the Company or a notice of option to elect repayment has been sent by such Holder or such transferee). Any Holder of any such Registered Security who shall not have delivered any such election to the Trustee of such series of Registered Securities not later than the close of business on the applicable Election Date will be paid the amount due on the applicable payment date in the relevant currency or currencies, currency unit or

units or composite currency or currencies as provided in Section 3.12(a). The Trustee for each such series of Registered Securities shall notify the Exchange Rate Agent as soon as practicable after the Election Date of the aggregate principal amount of Registered Securities for which Holders have made such written election.

(c) Unless otherwise specified pursuant to Section 3.1, if the election referred to in paragraph (b) above has been provided for pursuant to Section 3.1, then, unless otherwise specified pursuant to Section 3.1, not later than the fourth Business Day after the Election Date for each payment date for Registered Securities of any series, the Exchange Rate Agent will deliver to the Company a written notice specifying, in the currency or currencies, currency unit or units or composite currency or currencies in which Registered Securities of such series are payable, the respective aggregate amounts of principal of (and premium, if any) and interest, if any, on, and Additional Amounts, if any, in respect of the Registered Securities to be paid on such payment date, specifying the amounts in such currency or currencies, currency unit or units or composite currency or currencies so payable in respect of the Registered Securities as to which the Holders of Registered Securities denominated in any currency or currencies, currency unit or units or composite currency or currencies shall have elected to be paid in another currency, currency unit or composite currency as provided in paragraph (b) above. If the election referred to in paragraph (b) above has been provided for pursuant to Section 3.1 and if at least one Holder has made such election, then, unless otherwise specified pursuant to Section 3.1, on the second Business Day preceding such payment date the Company will deliver to the Trustee for such series of Registered Securities an Exchange Rate Officer's Certificate in respect of the Dollar, Foreign Currency or currencies, ECU or currency unit payments to be made on such payment date. Unless otherwise specified pursuant to Section 3.1, the Dollar, Foreign Currency or currencies, ECU or currency unit amount receivable by Holders of Registered Securities who have elected payment in a currency or currency unit as provided in paragraph (b) above shall be determined by the Company on the basis of the applicable Market Exchange Rate in effect on the third Business Day (the "Valuation Date") immediately preceding each payment date, and such determination shall be conclusive and binding for all purposes, absent manifest error.

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(d) If a Conversion Event occurs with respect to a Foreign Currency, the ECU or any other currency unit in which any of the Securities are denominated or payable other than pursuant to an election provided for pursuant to paragraph (b) above, then with respect to each date for the payment of principal of (and premium, if any) and interest, if any, on, and Additional Amounts, if any, in respect of, the applicable Securities denominated or payable in such Foreign Currency, the ECU or such other currency unit occurring after the last date on which such Foreign Currency, the ECU or such other currency unit was used (the "Conversion Date"), the Dollar shall be the currency of payment for use on each such payment date. Unless otherwise specified pursuant to Section 3.1, the Dollar amount to be paid by the Company to the Trustee of each such series of Securities and by such Trustee or any Paying Agent to the Holders of such Securities with respect to such payment date shall be, in the case of a Foreign Currency other than a currency unit, the Dollar Equivalent of the Foreign Currency or, in the case of a currency unit, the Dollar Equivalent of the Currency Unit, in each case as determined by the Exchange Rate Agent in the manner provided in paragraph (f) or (g) below.

(e) Unless otherwise specified pursuant to Section 3.1, if the Holder of a Registered Security denominated in any currency or currencies, currency unit or units or composite currency or currencies shall have elected to be paid in another currency or currencies, currency unit or units or composite currency or currencies as provided in paragraph (b) above, and a Conversion Event occurs with respect to such elected currency or currencies, currency unit or units or composite currency or currencies, such Holder shall receive payment in the currency or currencies, currency unit or units or composite currency or currencies in which payment would have been made in the absence of such

election; and if a Conversion Event occurs with respect to the currency or currencies, currency unit or units or composite currency or currencies in which payment would have been made in the absence of such election, such Holder shall receive payment in Dollars as provided in paragraph (d) of this Section 3.12.

(f) The "Dollar Equivalent of the Foreign Currency" shall be determined by the Exchange Rate Agent and shall be obtained for each subsequent payment date by converting the specified Foreign Currency into dollars at the Market Exchange Rate on the Conversion Date.

(g) The "Dollar Equivalent of the Currency Unit" shall be determined by the Exchange Rate Agent and subject to the provisions of paragraph (h) below shall be the sum of each amount obtained by converting the Specified Amount of each Component Currency into Dollars at the Market Exchange Rate for such Component Currency on the Valuation Date with respect to each payment.

(h) For purposes of this Section 3.12, the following terms shall have the following meanings:

A "COMPONENT CURRENCY" shall mean any currency which, on the Conversion Date, was a component currency of the relevant currency unit, including, but not limited to, the ECU.

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A "SPECIFIED AMOUNT" of a Component Currency shall mean the number of units of such Component Currency or fractions thereof which were represented in the relevant currency unit, including, but not limited to, the ECU, on the Conversion Date. If after the Conversion Date the official unit of any Component Currency is altered by way of combination or subdivision, the Specified Amount of such Component Currency shall be divided or multiplied in the same proportion. If after the Conversion Date two or more Component Currencies are consolidated into a single currency, the respective Specified Amounts of such Component Currencies shall be replaced by an amount in such single currency equal to the sum of the respective Specified Amounts of such consolidated Component Currencies expressed in such single currency, and such amount shall thereafter be a Specified Amount and such single currency shall thereafter be a Component Currency. If after the Conversion Date any Component Currency shall be divided into two or more currencies, the Specified Amount of such Component Currency shall be replaced by amounts of such two or more currencies, having an aggregate Dollar Equivalent value at the Market Exchange Rate on the date of such replacement equal to the Dollar Equivalent of the Specified Amount of such former Component Currency at the Market Exchange Rate immediately before such division, and such amounts shall thereafter be Specified Amounts and such currencies shall thereafter be Component Currencies. If, after the Conversion Date of the relevant currency unit, including, but not limited to, the ECU, a Conversion Event (other than any event referred to above in this definition of "Specified Amount") occurs with respect to any Component Currency of such currency unit and is continuing on the applicable Valuation Date, the Specified Amount of such Component Currency shall, for purposes of calculating the Dollar Equivalent of the Currency Unit, be converted into Dollars at the Market Exchange Rate in effect on the Conversion Date of such Component Currency.

"ELECTION DATE" shall mean the Regular Record Date for the applicable series of Registered Securities or at least 16 days prior to Maturity, as the case may be, or such other date for any series of Registered Securities as specified pursuant to clause (11) of Section 3.1 by which the written election referred to in Section 3.12(b) may be made.

All decisions and determinations of the Exchange Rate Agent regarding the Dollar Equivalent of the Foreign Currency, the Dollar Equivalent of the Currency Unit, the Market Exchange Rate and changes in the Specified Amounts as specified above shall be in its sole discretion and shall, in the

absence of manifest error, be conclusive for all purposes and irrevocably binding upon the Company, the Trustee for the appropriate series of Securities and all Holders of such Securities denominated or payable in the relevant currency or currencies, currency unit or units or composite currency or currencies. The Exchange Rate Agent shall promptly give written notice to the Company and the Trustee for the appropriate series of Securities of any such decision or determination.

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In the event that the Company determines in good faith that a Conversion Event has occurred with respect to a Foreign Currency, the Company will immediately give written notice thereof to the Trustee of the appropriate series of Securities and to the Exchange Rate Agent (and such Trustee will promptly thereafter give notice in the manner provided in Section 1.6 to the affected Holders) specifying the Conversion Date. In the event the Company so determines that a Conversion Event has occurred with respect to the ECU or any other currency unit in which Securities are denominated or payable, the Company will immediately give written notice thereof to the Trustee of the appropriate series of Securities and to the Exchange Rate Agent (and such Trustee will promptly thereafter give notice in the manner provided in Section 1.6 to the affected Holders) specifying the Conversion Date and the Specified Amount of each Component Currency on the Conversion Date. In the event the Company determines in good faith that any subsequent change in any Component Currency as set forth in the definition of Specified Amount above has occurred, the Company will similarly give written notice to the Trustee of the appropriate series of Securities and to the Exchange Rate Agent.

The Trustee of the appropriate series of Securities shall be fully justified and protected in relying and acting upon information received by it from the Company and the Exchange Rate Agent and shall not otherwise have any duty or obligation to determine the accuracy or validity of such information independent of the Company or the Exchange Rate Agent.

SECTION 3.13 APPOINTMENT AND RESIGNATION OF SUCCESSOR EXCHANGE RATE AGENT. (a) Unless otherwise specified pursuant to Section 3.1, if and so long as the Securities of any series (i) are denominated in a currency other than Dollars or (ii) may be payable in a currency other than Dollars, or so long as it is required under any other provision of this Indenture, then the Company will maintain with respect to each such series of Securities, or as so required, at least one Exchange Rate Agent. The Company will cause the Exchange Rate Agent to make the necessary foreign exchange determinations at the time and in the manner specified pursuant to Section 3.1 for the purpose of determining the applicable rate of exchange and, if applicable, for the purpose of converting the issued currency or currencies, currency unit or units or composite currency or currencies into the applicable payment currency or currency unit for the payment of principal (and premium, if any) and interest, if any, and Additional Amounts, if any, pursuant to Section 3.12.

(b) No resignation of the Exchange Rate Agent and no appointment of a successor Exchange Rate Agent pursuant to this Section 3.13 shall become effective until the acceptance of appointment by the successor Exchange Rate Agent as evidenced by a written instrument delivered to the Company and the Trustee of the appropriate series of Securities accepting such appointment executed by the successor Exchange Rate Agent.

(c) If the Exchange Rate Agent shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of the Exchange Rate Agent for any cause, with respect to the Securities of one or more series, the Company, by or pursuant to a Board Resolution, shall promptly appoint a successor Exchange Rate Agent or Exchange Rate

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Agents with respect to the Securities of that or those series (it being understood that any such successor Exchange Rate Agent may be appointed with respect to the Securities of one or more or all such series and that, unless otherwise specified pursuant to Section 3.1, at any time there shall only be one Exchange Rate Agent with respect to the Securities of any particular series that are originally issued by the Company on the same date and that are initially denominated or payable in the same currency or currencies, currency unit or units or composite currency or currencies).

ARTICLE IV

SATISFACTION AND DISCHARGE

SECTION 4.1 SATISFACTION AND DISCHARGE OF INDENTURE. This Indenture shall upon Company Request cease to be of further effect with respect to any series of Securities specified in such Company Request (except as to any surviving rights of registration of transfer or exchange of Securities of such series herein expressly provided for and any right to receive Additional Amounts, as provided in Section 10.9), and the Trustee, upon receipt of a Company Order, and at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture as to such series when

(1) either

(A) all Securities of such series theretofore authenticated and delivered and all coupons, if any, appertaining thereto (other than (i) coupons appertaining to Bearer Securities surrendered for exchange for Registered Securities and maturing after such exchange, whose surrender is not required or has been waived as provided in Section 3.5, (ii) Securities and coupons of such series which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 3.6, (iii) coupons appertaining to Securities called for redemption and maturing after the relevant Redemption Date, whose surrender has been waived as provided in Section 11.6, and (iv) Securities and coupons of such series for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust, as provided in Section 10.3) have been delivered to the Trustee for cancellation; or

(B) all Securities of such series and, in the case of (i) or (ii) below, any coupons appertaining thereto not theretofore delivered to the Trustee for cancellation

(i) have become due and payable, or

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(ii) will become due and payable at their Stated Maturity within one year, or

(iii) if redeemable at the option of the Company, are to be called for redemption within one year under the arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company,

and the Company, in the case of (i), (ii) or (iii) above, has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust for the purpose an amount in the currency or currencies, currency unit or units or composite currency or currencies in which the Securities of such series are payable, sufficient to pay and discharge the entire indebtedness on such Securities and such coupons not theretofore delivered to the Trustee for cancellation, for principal (and premium, if any) and interest, and any Additional Amounts with respect thereto, to the date of such deposit (in the

case of Securities which have become due and payable) or to the Stated Maturity or Redemption Date, as the case may be;

(2) the Company has paid or caused to be paid all other sums payable hereunder by the Company; and

(3) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture as to such series have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Company to the Trustee under Section 6.6, the obligations of the Company to any Authenticating Agent under Section 6.11 and, if money shall have been deposited with the Trustee pursuant to subclause (B) of clause (1) of this Section, the obligations of the Trustee under Section 4.2 and the last paragraph of Section 10.3 shall survive.

SECTION 4.2 APPLICATION OF TRUST FUNDS; INDEMNIFICATION.

Subject to the provisions of the last paragraph of Section 10.3, all money deposited with the Trustee pursuant to Section 4.1 shall be held in trust and applied by it, in accordance with the provisions of the Securities, the coupons and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any), any interest and Additional Amounts for whose payment such money has been deposited with or received by the

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Trustee, but such money need not be segregated from other funds except to the extent required by law.

ARTICLE V

REMEDIES

SECTION 5.1 EVENTS OF DEFAULT. "Event of Default," wherever used herein with respect to any particular series of Securities, means any of the following events (whatever the reason for such Event of Default and whether or not it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body);

(1) default in the payment of any installment of interest or any Additional Amounts payable in respect of any Security of that series or of any coupon appertaining thereto, when such interest, Additional Amounts or coupon becomes due and payable, and continuance of such default for a period of 30 days; or

(2) default in the payment of all or any part of the principal of (or premium, if any, on) any Security of that series when it becomes due and payable at its Maturity; or

(3) default in the deposit of any sinking fund payment, when and as due by the terms of any Security of that series; or

(4) default in the performance, or breach, of any covenant or warranty of the Company in this Indenture with respect to any Security of that series (other than a covenant or warranty a default in whose performance or whose breach is elsewhere in this Section 5.1 specifically dealt with), and continuance of such default or breach for a period of 60 days after there has been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the Holders of

at least 25% in principal amount of the Outstanding Securities of that series a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; or

(5) the Company or any of its Subsidiaries pursuant to or within the meaning of any Bankruptcy Law:

(A) commences a voluntary case,

(B) consents to the entry of an order for relief against it in an involuntary case,

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(C) consents to the appointment of a Custodian of it or for all or substantially all of its property, or

(D) makes a general assignment for the benefit of its creditors; or

(6) a court of competent jurisdiction enters an order or decree of any Bankruptcy Law that:

(A) is for relief against the Company or any of its Subsidiaries in an involuntary case,

(B) appoints a Custodian of the Company or any of its Subsidiaries or for all or substantially all of the Company's or any of its Subsidiaries' property, or

(C) orders the liquidation of the Company or any of its Subsidiaries,

and the order or decree remains unstayed and in effect for 90 days; or

(7) a default on any Indebtedness of the Company or any of its Subsidiaries (other than a default with respect to Securities of such series) having an outstanding principal amount of more than \$15 million in the aggregate, whether such Indebtedness now exists or shall hereafter be created, and such default relates to the obligation to pay the principal of, interest on, any Additional Amounts payable in respect of or any other payment obligation on any such Indebtedness when due and such default continues for 15 days; or

(8) an event of default or default as defined or designated in any Indebtedness of the Company or any of its Subsidiaries (other than a default with respect to Securities of such series) having an outstanding aggregate principal amount of more than \$15 million, whether such Indebtedness now exists or shall hereafter be created, shall happen and such default shall result in such Indebtedness becoming or being declared due and payable prior to the date on which it would otherwise become due and payable; or

(9) if any judgment or order by a court of competent jurisdiction shall be rendered against the Company or any of its Subsidiaries for the payment of money in excess of \$15 million and such judgment or order shall not be discharged, and there shall be any period of 60 consecutive days following entry of such judgment or order 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

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

The term "Bankruptcy Law" means Title 11, United States Code or any similar federal or state law for the relief of debtors. The term "Custodian" means any receiver, trustee, assignee, liquidator or other similar official under any Bankruptcy Law.

SECTION 5.2 ACCELERATION OF MATURITY; RESCISSION AND ANNULMENT.

If an Event of Default with respect to Securities of any series at the time Outstanding occurs and is continuing (other than an Event of Default specified in clause (5) or (6) of Section 5.1), then, in each and every case, either the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Securities of that series may declare the principal amount of (or, if any Securities of such series are Original Issue Discount Securities or Indexed Securities, such portion of the principal amount as may be specified in the terms thereof) and any accrued and unpaid interest on and any Additional Amounts payable in respect of all the Outstanding Securities of that series to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by the Holders), and upon any such declaration such principal or specified portion thereof shall become immediately due and payable. If an Event of Default specified in clause (5) or (6) of Section 5.1 occurs and is continuing, then the principal amount of (or, if any Securities of such series are Original Issue Discount Securities or Indexed Securities, such portion of the principal amount as may be specified in the terms thereof) and any accrued and unpaid interest on and any Additional Amounts payable in respect of all the Outstanding Securities of that series shall immediately become due and payable without any declaration or other act on the part of the Trustee or any Holder.

At any time after such a declaration of acceleration with respect to Securities of any series has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article V provided, the Holders of a majority in principal amount of the Outstanding Securities of that series, by written notice to the Company and the Trustee, may rescind and annul such declaration and its consequences if:

(1) the Company has paid or deposited with the Trustee a sum sufficient to pay in the currency, currency unit or composite currency in which the Securities of such series are payable (except as otherwise specified pursuant to Section 3.1 for the Securities of such series and except, if applicable, as provided in Sections 3.12(b), 3.12(d) and 3.12(e)):

(A) all overdue installments of interest on and any Additional Amounts payable in respect of all Outstanding Securities of that series and any related coupons,

(B) the principal of (and premium, if any, on) any Outstanding Securities of that series which have become due otherwise than by such declaration of acceleration and interest

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thereon at the rate or rates borne by or provided for in such Securities,

(C) to the extent that payment of such interest is lawful, interest upon overdue installments of interest and any Additional Amounts at the rate or rates borne by or provided for in such Securities, and

(D) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of

the Trustee, its agents and counsel; and

(2) all Events of Default with respect to Securities of that series, other than the nonpayment of the principal of (or premium, if any) or interest on Securities of that series which have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 5.13.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

SECTION 5.3 COLLECTION OF INDEBTEDNESS AND SUITS FOR ENFORCEMENT BY TRUSTEE. The Company covenants that if:

(1) default is made in the payment of any installment of interest or Additional Amounts, if any, on any Security of any series and any related coupon when such interest becomes due and payable and such default continues for a period of 30 days, or

(2) default is made in the payment of the principal of (or premium, if any, on) any Security of any series at its Maturity,

then the Company will, upon demand of the Trustee, pay to the Trustee, for the benefit of the Holders of such Securities of such series and coupons, the whole amount then due and payable on such Securities and coupons for principal (and premium, if any) and interest, with interest upon any overdue principal (and premium, if any) and, to the extent that payment of such interest shall be legally enforceable, upon any overdue installments of interest or Additional Amounts, if any, at the rate or rates borne by or provided for in such Securities, and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

If the Company fails to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, and may prosecute such proceeding to judgment or final decree, and may enforce the same against the Company or any other obligor

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upon such Securities of such series and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company or any other obligor upon such Securities of such series, wherever situated.

If an Event of Default with respect to Securities of any series occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders of Securities of such series and any related coupons by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

SECTION 5.4 TRUSTEE MAY FILE PROOFS OF CLAIM. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or any other obligor upon the Securities or the property of the Company or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of the Securities of any series shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Company for the payment of overdue principal, premium, if any, or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount, or such lesser amount as may be provided for in the Securities of such series, of principal (and premium, if any) and interest and Additional Amounts, if any, owing and unpaid in respect of the Securities and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the Holders allowed in such judicial proceeding, and

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

and any custodian, receiver, assignee, trustee, liquidator, sequestrator (or other similar official) in any such judicial proceeding is hereby authorized by each Holder of Securities of such series and coupons to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee and any predecessor Trustee, their agents and counsel, and any other amounts due the Trustee or any predecessor Trustee under Section 6.6.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder of a Security or coupon any plan of reorganization, arrangement, adjustment or composition affecting the Securities or coupons or

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the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder of a Security or coupon in any such proceeding.

SECTION 5.5 TRUSTEE MAY ENFORCE CLAIMS WITHOUT POSSESSION OF SECURITIES OR COUPONS. All rights of action and claims under this Indenture or any of the Securities or coupons may be prosecuted and enforced by the Trustee without the possession of any of the Securities or coupons or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Securities and coupons in respect of which such judgment has been recovered.

SECTION 5.6 APPLICATION OF MONEY COLLECTED. Any money collected by the Trustee pursuant to this Article V shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any) or interest and any Additional Amounts, upon presentation of the Securities or coupons, or both, as the case may be, and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due the Trustee and any predecessor Trustee under Section 6.6;

SECOND: To the payment of the amounts then due and unpaid upon the Securities and coupons for principal (and premium, if any) and interest and any Additional Amounts payable, in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the aggregate amounts due and payable on such Securities and coupons for principal (and premium, if any), interest and Additional Amounts, respectively; and

THIRD: To the payment of the remainder, if any, to the Company or any other Person or Persons entitled thereto.

SECTION 5.7 LIMITATION ON SUITS. No Holder of any Security of any series or any related coupon shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(1) such Holder has previously given written notice to the Trustee of a continuing Event of Default with respect to the Securities of that series;

(2) the Holders of not less than 25% in principal amount of the Outstanding Securities of that series shall have made written request to the

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Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;

(3) such Holder or Holders have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(4) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceedings; and

(5) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority in principal amount of the Outstanding Securities of that series;

it being understood and intended that no one or more of such Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other of such Holders, or to obtain or to seek to obtain priority or preference over any other of such Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all such Holders.

SECTION 5.8 UNCONDITIONAL RIGHT OF HOLDERS TO RECEIVE PRINCIPAL, PREMIUM AND INTEREST. Notwithstanding any other provision in this Indenture, the Holder of any Security or coupon shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if any) and (subject to Sections 3.5 and 3.7) interest on, and any Additional Amounts in respect of, such Security or payment of such coupon on the respective due dates expressed in such Security or coupon (or, in the case of redemption, on the Redemption Date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

SECTION 5.9 RESTORATION OF RIGHTS AND REMEDIES. If the Trustee or any Holder of a Security or coupon has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case the Company, the Trustee and the Holders of Securities and coupons shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding has been instituted.

SECTION 5.10 RIGHTS AND REMEDIES CUMULATIVE. Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities or coupons in the last paragraph of Section 3.6, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders of Securities or coupons is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by

cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 5.11 DELAY OR OMISSION NOT WAIVER. No delay or omission of the Trustee or of any Holder of any Security or coupon to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article V or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders of Securities or coupons, as the case may be.

SECTION 5.12 CONTROL BY HOLDERS OF SECURITIES. The Holders of a majority in principal amount of the Outstanding Securities of any series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or powers conferred on the Trustee with respect to the Securities of such series, PROVIDED that

(1) such direction shall not be in conflict with any rule of law or with this Indenture,

(2) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and

(3) the Trustee need not take any action which might involve it in personal liability or be unjustly prejudicial to the Holders of Securities of such series not consenting.

SECTION 5.13 WAIVER OF PAST DEFAULTS. The Holders of not less than a majority in principal amount of the Outstanding Securities of any series may on behalf of the Holders of all the Securities of such series and any related coupons waive any past default hereunder with respect to such series and its consequences, except a default

(1) in the payment of the principal of (or premium, if any) or interest on or Additional Amounts payable in respect of any Security of such series or any related coupons, or

(2) in respect of a covenant or provision hereof which under Article IX cannot be modified or amended without the consent of the Holder of each Outstanding Security of such series affected.

Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but

no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon.

SECTION 5.14 WAIVER OF STAY OR EXTENSION LAWS. The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so)

hereby expressly waives all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE VI

THE TRUSTEE

SECTION 6.1 DUTIES OF TRUSTEE.

(a) If an Event of Default has occurred and is continuing, the Trustee, subject to paragraph (e) below, shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(i) The Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

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

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

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(i) This paragraph does not limit the effect of paragraph (b) of this Section 6.1;

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

(iii) The Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 5.12.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b) and (c) of this Section 6.1.

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

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

(g) No provision of this Indenture shall require the Trustee to determine the maximum interest rate permissible under applicable law.

(h) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section and to the provisions of the TIA.

SECTION 6.2 RIGHTS OF TRUSTEE.

(1) The Trustee may rely on and shall be protected in acting or refraining from acting upon any document believed by it to be genuine and to have been signed or presented by the proper person;

(2) Any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order (other than delivery of any Security, together with any coupons appertaining thereto, to the Trustee for authentication and delivery pursuant to Section 3.3 which shall be

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sufficiently evidenced as provided therein) and any resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution;

(3) Before the Trustee acts or refrains from acting, it may require an Officer's Certificate and an Opinion of Counsel, and the Trustee (unless other evidence be herein specifically prescribed) shall not be liable for any action it takes or omits to take in good faith in reliance on such Officers' Certificate or Opinion of Counsel;

(4) The Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel with respect to legal matters relating to this Indenture and the Securities shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with the advice or opinion of such counsel;

(5) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders of Securities of any series or any related coupons pursuant to this Indenture, unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(6) The Trustee shall not be bound to make any investigation into the facts or matters stated in any document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney;

(7) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent appointed with due care by it hereunder; and

(8) The Trustee shall not be liable for any action taken, suffered or omitted by it in good faith and believed by it to be authorized or

within the discretion or rights or powers conferred upon it by this Indenture; PROVIDED, HOWEVER, that the Trustee's conduct does not constitute willful misconduct, negligence or bad faith.

SECTION 6.3 TRUSTEE'S DISCLAIMER. The recitals contained herein and in the Securities, except the Trustee's certificate of authentication, and in any coupons shall be taken as the statements of the Company, and neither the Trustee nor any Authenticating Agent assumes any responsibility for their correctness. The Trustee makes no representations as to the validity

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or sufficiency of this Indenture or of the Securities or coupons, except that the Trustee represents that it is duly authorized to execute and deliver this Indenture, authenticate the Securities and perform its obligations hereunder and that the statements made by it in a Statement of Eligibility and Qualification on Form T-1 supplied to the Company are true and accurate, subject to the qualifications set forth therein. Neither the Trustee nor any Authenticating Agent shall be accountable for the use or application by the Company of Securities or the proceeds thereof.

SECTION 6.4 INDIVIDUAL RIGHTS OF TRUSTEE. The Trustee, any Paying Agent, Security Registrar, Authenticating Agent or any other agent of the Company, in its individual or any other capacity, may become the owner or pledgee of Securities and coupons and, subject to TIA Sections 310(b) and 311, may otherwise deal with the Company or an Affiliate of the Company with the same rights it would have if it were not Trustee, Paying Agent, Security Registrar, Authenticating Agent or such other agent.

SECTION 6.5 NOTICE OF DEFAULTS. Within 90 days after the occurrence of any default (as defined below) hereunder with respect to the Securities of any series, the Trustee shall transmit, in the manner and to the extent provided in TIA Section 313(c), notice of such default hereunder known to the Trustee, unless such default shall have been cured or waived; PROVIDED, HOWEVER, that, except in the case of a default in the payment of the principal of (or premium, if any) or interest on or any Additional Amounts payable with respect to any Security of such series (including payments pursuant to a redemption or repurchase of the Securities pursuant hereto), or in the payment of any sinking or purchase fund installment with respect to the Securities of such series, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors and/or Responsible Officers of the Trustee in good faith determines that the withholding of such notice is in the interests of the Holders of the Securities and coupons of such series; and PROVIDED FURTHER that, in the case of any default or breach of the character specified in Section 5.1(4) with respect to the Securities and coupons of such series, no such notice to Holders shall be given until at least 60 days after the occurrence thereof. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default with respect to the Securities of such series.

SECTION 6.6 COMPENSATION AND INDEMNITY. The Company agrees:

(1) to pay to the Trustee from time to time such compensation for all services rendered by it hereunder as has been agreed upon in writing (which compensation shall not be limited by any provision of law in regard to the compensation of a Trustee of an express trust);

(2) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and

disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith; and

(3) to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without willful misconduct, negligence or bad faith on its own part, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

As security for the performance of the obligations of the Company under this Section 6.6, the Trustee shall have a claim prior to the Securities upon all property and funds held or collected by the Trustee as such, except funds held in trust for the payment of principal of (or premium, if any), interest on or any Additional Amounts payable with respect to particular Securities or any coupons.

When the Trustee incurs expenses in connection with an Event of Default specified in Section 5.1(5) or Section 5.1(6), the expenses are intended to constitute expenses of administration under any applicable Bankruptcy Law.

The provisions of this Section 6.6 shall survive the termination of this Indenture.

SECTION 6.7 CORPORATE TRUSTEE REQUIRED; ELIGIBILITY; CONFLICTING INTERESTS. There shall at all times be a Trustee hereunder which shall be eligible to act as Trustee under TIA Section 310(a) and shall have a combined capital and surplus of at least \$5 million as set forth in its most recent published annual report of condition. The Trustee shall comply with TIA Section 310(b). If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 6.7, it shall resign immediately in the manner and with the effect hereinafter specified in this Article VI.

SECTION 6.8 RESIGNATION AND REMOVAL; APPOINTMENT OF SUCCESSOR.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article VI shall become effective until the acceptance of appointment by the successor Trustee in accordance with the applicable requirements of Section 6.9.

(b) The Trustee may resign at any time with respect to the Securities of one or more series by giving written notice thereof to the Company. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee, the Company, or the Holders of a majority of the principal amount of the then Outstanding Securities may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(c) The Trustee may be removed at any time with respect to the Securities of any series by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Trustee and to the Company.

(d) If at any time:

(1) the Trustee shall fail to comply with the provisions of TIA Section 310(b) after written request therefor by the Company or by any Holder of a Security who has been a bona fide Holder of a Security for at least six months, or

(2) the Trustee shall cease to be eligible under Section 6.7 and shall fail to resign after written request therefor by the Company or by any Holder of a Security who has been a bona fide Holder of a Security for at least six months, or

(3) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (i) the Company by a Board Resolution may remove the Trustee and appoint a successor Trustee with respect to all Securities, or (ii) subject to TIA Section 315(e), any Holder of a Security who has been a bona fide Holder of a Security for at least six months may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee with respect to all Securities and the appointment of a successor Trustee or Trustees.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause with respect to the Securities of one or more series, the Company, by a Board Resolution, shall promptly appoint a successor Trustee or Trustees with respect to the Securities of that or those series (it being understood that any such successor Trustee may be appointed with respect to the Securities of one or more or all of such series and that at any time there shall be only one Trustee with respect to the Securities of any particular series). If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee with respect to the Securities of any series shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Company and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee with respect to the Securities of such series and to that extent supersede the successor Trustee appointed by the Company. If no successor Trustee with respect to the Securities of any series shall have been so appointed by the Company or the Holders of Securities and accepted appointment in the manner hereinafter provided, any Holder

of a Security who has been a bona fide Holder of a Security of such series for at least six months may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to Securities of such series.

(f) The Company shall give notice of each resignation and each removal of the Trustee with respect to the Securities of any series and each appointment of a successor Trustee with respect to the Securities of any series in the manner provided for notices to the Holders of Securities in Section 1.6. Each notice shall include the name of the successor Trustee with respect to the Securities of such series and the address of its Corporate Trust Office.

SECTION 6.9 ACCEPTANCE OF APPOINTMENT BY SUCCESSOR. (a) In case of the appointment hereunder of a successor Trustee with respect to all Securities, every such successor Trustee shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on request of the Company or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring

Trustee hereunder, subject nevertheless to its claim, if any, provided for in Section 6.6.

(b) In case of the appointment hereunder of a successor Trustee with respect to the Securities of one or more (but not all) series, the Company, the retiring Trustee and each successor Trustee with respect to the Securities of one or more series shall execute and deliver an indenture supplemental hereto wherein each successor Trustee shall accept such appointment and which (1) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Trustee all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates, (2) if the retiring Trustee is not retiring with respect to all Securities, shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts, and duties of the retiring Trustee with respect to the Securities of that or these series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee, and (3) shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Trustee co-trustees of the same trust and that each such Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee; and upon the execution and delivery of such supplemental indenture the resignation or removal of the retiring Trustee shall become effective to the extent provided therein and each such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment

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of such successor Trustee relates; but, on request of the Company or any successor Trustee, such retiring Trustee shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to the Securities of that or those series to which the appointment of such successor Trustee relates.

(c) Upon request of any such successor Trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts referred to in paragraph (a) or (b) of this Section 6.9, as the case may be.

(d) No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article VI.

SECTION 6.10 MERGER, CONVERSION, CONSOLIDATION OR SUCCESSION TO BUSINESS. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, PROVIDED such corporation shall be otherwise qualified and eligible under this Article VI, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Securities or coupons shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Securities or coupons so authenticated with the same effect as if such successor Trustee had itself authenticated such Securities or coupons. In case any Securities or coupons shall not have been authenticated by such predecessor Trustee, any such successor Trustee may authenticate and deliver such Securities or coupons, in either its own name or that of its predecessor Trustee, with the full force and effect which this Indenture provides for the certificate of authentication of the Trustee.

SECTION 6.11 APPOINTMENT OF AUTHENTICATING AGENT. At any time when any of the Securities remain Outstanding, the Trustee may appoint an Authenticating Agent or Agents with respect to one or more series of Securities which shall be authorized to act on behalf of the Trustee to authenticate Securities of such series issued upon exchange, registration of transfer or partial redemption thereof, and Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Any such appointment shall be evidenced by an instrument in writing signed by a Responsible Officer of the Trustee, a copy of which instrument shall be promptly furnished to the Company. Wherever reference is made in this Indenture to the authentication and delivery of Securities by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall be acceptable to the Company and shall at all times be a bank or trust company or corporation organized and doing business and in good standing under the laws of the United States of America or of any State or the District of Columbia, authorized

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under such laws to act as Authenticating Agent, having a combined capital and surplus of not less than \$1,500,000 and subject to supervision or examination by Federal or State authorities. If such Authenticating Agent publishes reports of condition at least annually, pursuant to law or the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section 6.11, the combined capital and surplus of such Authentication Agent shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section 6.11, such Authenticating Agent shall resign immediately in the manner and with the effect specified in this Section 6.11.

Any corporation into which an Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which such Authenticating Agent shall be a party, or any corporation succeeding to the corporate agency or corporate trust business of an Authenticating Agent, shall continue to be an Authenticating Agent, provided such corporation shall be otherwise eligible under this Section 6.11, without the execution or filing of any paper or further act on the part of the Trustee or the Authenticating Agent.

An Authenticating Agent for any series of Securities may at any time resign by giving written notice of resignation to the Trustee for such series and to the Company. The Trustee for any series of Securities may at any time terminate the agency of an Authenticating Agent by giving written notice of termination to such Authenticating Agent and to the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section 6.11, the Trustee for such series may appoint a successor Authenticating Agent which shall be acceptable to the Company and shall give notice of such appointment to all Holders of Securities of the series with respect to which such Authenticating Agent will serve in the manner set forth in Section 1.6. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent herein. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section 6.11.

The Company agrees to pay to each Authenticating Agent from time to time reasonable compensation including reimbursement of its reasonable expenses for its services under this Section 6.11.

If an appointment with respect to one or more series is made

pursuant to this Section 6.11, the Securities of such series may have endorsed thereon, in addition to or in lieu of the Trustee's certificate of authentication, an alternate certificate of authentication substantially in the following form:

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

Firststar Trust Company,
as Trustee

By _____
as Authenticating Agent

By _____
Authorized Signature

ARTICLE VII

HOLDERS' LISTS AND REPORTS BY TRUSTEE AND COMPANY

SECTION 7.1 DISCLOSURE OF NAMES AND ADDRESSES OF HOLDERS.

Every Holder of Securities or coupons, by receiving and holding the same, agrees with the Company and the Trustee that neither the Company nor the Trustee nor any Authenticating Agent nor any Paying Agent nor any Security Registrar shall be held accountable by reason of the disclosure of any information as to the names and addresses of the Holders of Securities in accordance with TIA Section 312, regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under TIA Section 312(b).

SECTION 7.2 REPORTS BY TRUSTEE. Within 60 days after May 15 of each year commencing with the first May 15 after the first issuance of Securities pursuant to this Indenture, the Trustee shall transmit by mail to all Holders of Securities as provided in TIA Section 313(c) a brief report dated as of such May 15 if required by, and in compliance with, TIA Section 313(a).

SECTION 7.3 REPORTS BY COMPANY. The Company will:

(1) file with the Trustee, within 15 days after the Company is required to file the same with the Commission, copies of the annual reports and of the information, documents, and other reports (or copies of such portions of any of the foregoing as the Commission may from time to time by rules and regulations prescribe) which the Company may be required to file with the Commission pursuant to Section 13 or Section 15(d) of the Securities Exchange Act; or, if the

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Company is not required to file information, documents or reports pursuant to either of such Sections, then it will file with the Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such of the supplementary and periodic information, documents and reports which may be required pursuant to Section 13 of the Securities Exchange Act in respect of a security listed and registered on a national securities exchange as may be prescribed from time to time in such rules and regulations;

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

(3) transmit by mail to the Holders of Securities, within 30 days after the filing thereof with the Trustee, in the manner and to the extent provided in TIA Section 313(c), such summaries of any information, documents and reports required to be filed by the Company pursuant to paragraphs (1) and (2) of this Section 7.3 as may be required by rules and regulations prescribed from time to time by the Commission.

ARTICLE VIII

CONSOLIDATION, MERGER, CONVEYANCE OR TRANSFER

SECTION 8.1 COMPANY MAY CONSOLIDATE, ETC., ONLY ON CERTAIN TERMS. The Company shall not consolidate with or merge with or into any other corporation or convey or transfer its properties and assets substantially as an entirety to any Person, unless:

(1) either the Company shall be the continuing corporation, or the corporation (if other than the Company) formed by such consolidation or into which the Company is merged or the Person which acquired by conveyance or transfer the properties and assets of the Company substantially as an entirety shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual payment of the principal of (and premium, if any) and interest (including all Additional Amounts, if any, payable pursuant to Section 10.9) on all the Securities and the performance of every covenant of this Indenture on the part of the Company to be performed or observed;

(2) immediately after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time, or both, would become an Event of Default, shall have happened and be continuing;

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(3) if as a result thereof any property or assets of the Company or a Subsidiary would become subject to any mortgage, pledge, security interest or encumbrance, then either (a) such mortgage, pledge, lien, security interest or encumbrance shall be permitted to be created pursuant to Section 10.4 without equally and ratably securing the Securities or (b) the Securities are secured equally and ratably with the debt secured by such mortgage, pledge, lien, security interest or encumbrance; and

(4) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance or transfer and such supplemental indenture comply with this Article VIII and that all conditions precedent herein provided for relating to such transaction have been complied with.

SECTION 8.2 SUCCESSOR PERSON SUBSTITUTED. Upon any consolidation or merger, or any conveyance or transfer of the properties and assets of the Company substantially as an entirety in accordance with Section 8.1, the successor corporation formed by such consolidation or into which the Company is merged or the successor Person to which such conveyance or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor had been named as the Company herein. When a successor Person assumes all of the obligations of the Company hereunder and under the Securities and any coupons appertaining thereto, the predecessor shall be released from such

obligations.

ARTICLE IX

SUPPLEMENTAL INDENTURES

SECTION 9.1 SUPPLEMENTAL INDENTURES WITHOUT CONSENT OF HOLDERS.

Without the consent of any Holders of Securities or coupons, the Company, when authorized by or pursuant to a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

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

(2) to add to the covenants of the Company for the benefit of the Holders of all or any series of Securities and any related coupons (and if such covenants are to be for the benefit of less than all series of Securities, stating that such covenants are expressly being included solely for the benefit of such series) or to surrender any right or power herein conferred upon the Company; or

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(3) to add any additional Events of Default for the benefit of the Holders of all or any series of Securities (and if such Events of Default are to be for the benefit of less than all series of Securities, stating that such Events of Default are expressly being included solely for the benefit of such series); PROVIDED, HOWEVER, that in respect of any such additional Events of Default such supplemental indenture may provide for a particular period of grace after default (which period may be shorter or longer than that allowed in the case of other defaults) or may provide for an immediate enforcement upon such default or may limit the remedies available to the Trustee upon such default or may limit the right of the Holders of a majority in aggregate principal amount of that or those series of Securities to which such additional Events of Default apply to waive such default; or

(4) to add to or change any of the provisions of this Indenture to provide that Bearer Securities may be registrable as to principal, to change or eliminate any restrictions on the payment of principal of or any premium or interest on Bearer Securities, to permit Bearer Securities to be issued in exchange for Registered Securities, to permit Bearer Securities to be issued in exchange for Bearer Securities of other authorized denominations or to permit or facilitate the issuance of Securities in uncertificated form, PROVIDED that any such action shall not adversely affect the interests of the Holders of Securities of any series or any related coupons; or

(5) to change or eliminate any of the provisions of this Indenture, PROVIDED that any such change or elimination shall become effective only when there is no Security Outstanding of any series created prior to the execution of such supplemental indenture which is entitled to the benefit of such provision; or

(6) to secure the Securities pursuant to the requirements of Section 8.1 or 10.4, or otherwise, or

(7) to establish the form or terms of Securities of any series and any related coupons as permitted by Sections 2.1 and 3.1; or

(8) to evidence and provide for the acceptance of appointment hereunder by a successor Trustee with respect to the Securities of one or more series and to add to or change any of the provisions of this

Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee; or

(9) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Indenture,

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PROVIDED such action shall not adversely affect the interests of the Holders of Securities of any series or any related coupons; or

(10) to supplement any of the provisions of this Indenture to such extent as shall be necessary to permit or facilitate the defeasance and discharge of any series of Securities pursuant to Sections 4.1, 14.2 and 14.3; PROVIDED that any such action shall not adversely affect interests of the Holders of Securities of such series and any related coupons or any other series of Securities.

SECTION 9.2 SUPPLEMENTAL INDENTURES WITH CONSENT OF HOLDERS.

With the consent of the Holders of not less than a majority in principal amount of all Outstanding Securities affected by such supplemental indenture, by Act of said Holders delivered to the Company and the Trustee, the Company, when authorized by or pursuant to a Board Resolution, and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of Securities and any related coupons under this Indenture; PROVIDED, HOWEVER, that no such supplemental indenture shall, without consent of the Holder of each Outstanding Security affected thereby:

(1) change the Stated Maturity of the principal of (or premium, if any, on) or any installment of principal of or interest on, any Security; or reduce the principal amount thereof the rate of interest thereon or any Additional Amounts payable in respect thereof, or any premium payable upon the redemption thereof, or change any obligation of the Company to pay Additional Amounts pursuant to Section 10.9 (except as contemplated by Section 8.1(1) and permitted by Section 9.1(1)), or reduce the amount of the principal of an Original Issue Discount Security that would be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 5.2 or the amount thereof provable in bankruptcy pursuant to Section 5.4, or adversely affect any right of repayment at the option of the Holder of any Security, or change any Place of Payment where, or the currency or currencies, currency unit or units or composite currency or currencies in which, any Security or any premium or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the State Maturity thereof (or, in the case of redemption or repayment at the option of the Holder, on or after the Redemption Date or the Repayment Date, as the case may be), or

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

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(3) modify any of the provisions of this Section 9.2, Section 5.13 or 10.10, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived

without the consent of the Holder of each Outstanding Security affected thereby.

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

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

SECTION 9.3 EXECUTION OF SUPPLEMENTAL INDENTURES. In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article IX or the modification thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

SECTION 9.4 EFFECT OF SUPPLEMENTAL INDENTURES. Upon the execution of any supplemental indenture under this Article IX, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder and of any coupon appertaining thereto shall be bound thereby.

SECTION 9.5 CONFORMITY WITH TRUST INDENTURE ACT. Every supplemental indenture executed pursuant to this Article IX shall conform to the requirements of the Trust Indenture Act as then in effect.

SECTION 9.6 REFERENCE IN SECURITIES TO SUPPLEMENTAL INDENTURES. Securities of any series authenticated and delivered after the execution of any supplemental indenture pursuant to this Article IX may, and shall, if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Securities of any series so modified as to conform, in the opinion of the Trustee and the Company, to any such supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Securities of such series.

ARTICLE X

COVENANTS

SECTION 10.1 PAYMENT OF PRINCIPAL, PREMIUM, IF ANY, AND INTEREST. The Company covenants and agrees for the benefit of each series of Securities that it will duly and punctually pay the principal of (and premium, if any) and interest on and any Additional Amounts payable in respect of the Securities of that series in accordance with the terms of such series of Securities, any coupons appertaining thereto and this Indenture. Unless otherwise specified with respect to Securities of any series pursuant to Section 3.1, principal of and any premium, interest and Additional Amounts on Registered Securities will be payable at the Corporate Trust Office of the Trustee, except that at the option of the Company, interest (including Additional Amounts, if any) may be paid by (i) check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register or (ii) wire transfer to an account maintained by the Person entitled thereto as specified in the Security Register. Unless otherwise specified as contemplated by Section 3.1 with respect to any series of Securities, any interest due on, and any

Additional Amounts payable in respect of, Bearer Securities on or before Maturity, in respect of the principal of such a Security, shall be payable only upon presentation and surrender of the several coupons for such interest installments as are evidenced thereby as they severally mature. The Company shall pay interest on overdue principal and, to the extent lawful, interest on overdue installments of interest or Additional Amounts, if any, at the rate borne by such Securities.

SECTION 10.2 MAINTENANCE OF OFFICE OR AGENCY. The Company shall maintain in each Place of Payment for any series of Securities an office or agency where Securities of that series (but not Bearer Securities, except as otherwise provided below, unless the Place of Payment is located outside of the United States) may be presented or surrendered for payment, where Securities of that series may be surrendered for registration of transfer or exchange and where notices and demands to or upon the Company in respect of the Securities of that series and this Indenture may be served. If Securities of a series are issuable as Bearer Securities, the Company shall maintain, subject to any laws or regulations applicable thereto, an office or agency in a Place of Payment for such series that is located outside of the United States where Securities of that series and related coupons may be presented and surrendered for payment (including payment of any Additional Amounts payable on Securities of such series pursuant to Section 10.9); PROVIDED, HOWEVER, that if the Securities of such series are listed on the Luxembourg Stock Exchange or any other stock exchange located outside the United States and such stock exchange shall so require, the Company will maintain a Paying Agent of the Securities of that series in Luxembourg or any other required city located outside the United States, as the case may be, so long as the Securities of that series are listed on such exchange. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of each such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee, except that Bearer Securities of that series and the related coupons

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may be presented and surrendered for payment (including payment of any Additional Amounts payable on Bearer Securities of that series pursuant to Section 10.9) at the place specified for that purpose pursuant to Section 3.1.

Unless otherwise specified with respect to any Securities pursuant to Section 3.1, no payment of principal of or any premium, interest or Additional Amounts on Bearer Securities shall be made at any office or agency of the Company in the United States or by check mailed to any address in the United States or by transfer to an account maintained with a bank located in the United States; PROVIDED, HOWEVER, that, if the Securities of a series are payable in Dollars, payment of principal of and any premium, interest or Additional Amounts on any Bearer Security shall be made at the office of the Company's Paying Agent, if (but only if) payment in Dollars of the full amount of such principal, premium, interest or Additional Amounts, as the case may be, at all offices or agencies outside the United States maintained for that purpose by the Company in accordance with this Indenture is illegal or effectively precluded by exchange controls or other similar restrictions.

The Company may from time to time designate one or more other offices or agencies where the Securities of one or more series may be presented or surrendered for any or all of such purposes and may from time to time rescind such designations; PROVIDED, HOWEVER that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in accordance with the requirements set forth above for Securities of any series for such purposes. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency. Unless otherwise specified with respect to any Securities pursuant to Section 3.1 with respect to a series of Securities, the Company hereby designates as Place of Payment for each series of

Securities the Corporate Trust Office of the Trustee, and initially appoints the Trustee at its Corporate Trust Office as Paying Agent and as its agent to receive all such presentations, surrenders, notices and demands.

Unless otherwise specified with respect to any Securities pursuant to Section 3.1, if and so long as the Securities of any series (i) are denominated in a currency other than Dollars or (ii) may be payable in a currency other than Dollars, or so long as it is required under any other provision of the Indenture, then the Company will maintain with respect to each such series of Securities, or as so required, at least one Exchange Rate Agent.

SECTION 10.3 MONEY FOR SECURITIES PAYMENTS TO BE HELD IN TRUST.

If the Company shall at any time act as its own Paying Agent with respect to any series of any Securities and any related coupons, it will, on or before each due date of the principal of (and premium, if any), or interest on or Additional Amounts in respect of, any of the Securities of that series, segregate and hold in trust for the benefit of the Person entitled thereto a sum in the currency or currencies, currency unit or units or composite currency or currencies in which the Securities of such series are payable (except as otherwise specified pursuant to Section 3.1 for the Securities of such series and except, if applicable, as provided in Sections 3.12(b), 3.12(d) and 3.12(c) sufficient to pay the principal (and premium, if any) or interest or Additional

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Amounts so becoming due until such sums shall be paid to such Person or otherwise disposed of as herein provided, and will promptly notify the Trustee of its action or failure so to act.

Whenever the Company shall have one or more Paying Agents for any series of Securities and any related coupons, it will, on or before each due date of the principal of (and premium, if any), or interest on or Additional Amounts in respect of, any Securities of that series, deposit with a Paying Agent a sum (in the currency or currencies, currency unit or units or composite currency or currencies described in the preceding paragraph) sufficient to pay the principal (and premium, if any) or interest or Additional Amounts, so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such principal, premium or interest or Additional Amounts and (unless such Paying Agent is the Trustee) the Company will promptly notify the Trustee of its action or failure so to act.

The Company may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such sums.

Except as otherwise provided in the Securities of any series, any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of (and premium, if any) or interest on any Security of any series and remaining unclaimed for two years after such principal (and premium, if any) or interest has become due and payable shall be paid to the Company upon Company Request or (if then held by the Company) shall be discharged from such trust; and the Holder of such Security shall thereafter, as an unsecured general creditor, look only to the Company for payment of such principal of (and premium, if any) or interest on any Security, without interest thereon, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; PROVIDED, HOWEVER, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in an Authorized Newspaper, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date such

publication, any unclaimed balance of such money then remaining will be repaid to the Company.

SECTION 10.4 LIMITATION ON DIVIDEND AND OTHER PAYMENT

Restrictions Affecting Restricted Subsidiaries. The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to (a) (i) pay dividends or make any other distributions on its Capital Stock or (ii) pay any Indebtedness owed to the Company or a Restricted Subsidiary, (b) make loans or advances to the Company or a Restricted Subsidiary or (c) transfer any of its properties or assets to the

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Company or a Restricted Subsidiary, except for such encumbrances or restrictions existing under or by reason of (i) any restrictions contained in Indebtedness with respect to the Company or its Restricted Subsidiaries in existence on the Issue Date; (ii) any restrictions, with respect to a Restricted Subsidiary that is not a Restricted Subsidiary on the date of this Indenture, under any agreement in existence at the time such Restricted Subsidiary becomes a Restricted Subsidiary (unless such agreement was entered into in connection with, or in contemplation of, such entity becoming a Restricted Subsidiary on or after the date of this Indenture); (iii) any restrictions under any agreement evidencing any Acquired Indebtedness of a Restricted Subsidiary; provided that such restrictions shall not restrict or encumber any assets of the Company or its Restricted Subsidiaries other than such Restricted Subsidiary; (iv) restrictions existing under any agreement that refinances or replaces the agreements containing restrictions described in clauses (i), (ii) and (iii) above; provided that the terms and conditions of any such restrictions are in the good faith determination of the Board of Directors no less favorable to the Holders of the Securities than those under the agreement so refinanced or replaced; or (v) any encumbrance or restriction due to applicable law.

SECTION 10.5 LIMITATION ON SECURED DEBT. The Company will not, and will not permit any Restricted Subsidiary to, create, assume or guarantee any Secured Debt without making effective provision for securing the Securities (and, if the Company shall so determine, any other indebtedness of or guaranteed by the Company or such Restricted Subsidiary), equally and ratably with such Secured Debt; PROVIDED that this covenant does not apply to debt secured by (a) certain mortgages, pledges, liens, security interests or encumbrances to secure payment of all or part of the purchase price or the cost of construction or improvement of property of the Company or any Restricted Subsidiary, (b) mortgages, pledges, liens, security interests or encumbrances on property existing at the time of acquisition thereof, whether or not assumed by the Company or any Restricted Subsidiary, (c) mortgages, pledges, liens, security interests or encumbrances on property, shares of stock or indebtedness of a corporation existing at the time such corporation becomes a Restricted Subsidiary, (d) mortgages, pledges, liens, security interests or encumbrances on property of a corporation existing at the time such corporation is merged into or consolidated with the Company or any Restricted Subsidiary or at the time of a sale, lease or other disposition of the properties of a corporation or firm as an entirety or substantially as an entirety to the Company or any Restricted Subsidiary, (e) mortgages, including mortgages, pledges, liens, security interests or encumbrances, on property of the Company or any Restricted Subsidiary in favor of the United States of America, any State thereof, or any other country, or any agency, instrumentality or political subdivision thereof, to secure certain payments pursuant to any contract or statute or to secure indebtedness incurred for the purpose of financing all or any part of the purchase price or the cost of construction or improvement of the property subject to such mortgages, (f) any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any mortgage, pledge, lien or encumbrance referred to in the foregoing clauses (a) to (e), inclusive, provided that the principal amount of such indebtedness shall not exceed the principal amount outstanding at the time of such extension, renewal or replacement, and that such extension, renewal or replacement shall be

limited to property which secured the mortgage so extended, renewed or replaced and additions to such property, or (g) any mortgage, pledge, lien, security

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interest or encumbrance securing indebtedness owing by the Company or any Restricted Subsidiary to the Company or to one or more Restricted Subsidiaries or both. In addition to the foregoing specific exceptions, the Company and one or more Restricted Subsidiaries may, without securing the Securities, create, assume or guarantee Secured Debt which would otherwise be subject to the foregoing restrictions, provided that, after giving effect thereto, the aggregate amount of all Secured Debt then outstanding (not including Secured Debt permitted under the foregoing exceptions) and the aggregate "value" of Sale and Leaseback Transactions (as defined in Section 10.6) (other than such transactions in connection with which indebtedness has been, or will be, retired in accordance with clause (b) of Section 10.6) at such time does not exceed 5% of Consolidated Net Tangible Assets.

SECTION 10.6 LIMITATION ON SALE AND LEASEBACK TRANSACTIONS. The Company will not, and will not permit any Restricted Subsidiary to, sell or transfer (except to the Company or one or more Restricted Subsidiaries, or both) any Principal Property owned by it with the intention of taking back a lease on such property except a lease for a period not exceeding three years with the intent that the use by the Company or such Restricted Subsidiary of such property will be discontinued on or before the expiration of such period (a "Sale and Leaseback Transaction") unless (a) the Company or such Restricted Subsidiary would be entitled pursuant to Section 10.5 to incur Secured Debt in an amount equal to the amount realized or to be realized upon such sale or transfer secured by a mortgage on the property to be leased without equally and ratably securing the Securities, or (b) the Company or such Restricted Subsidiary shall apply an amount equal to the value of the property so leased to the retirement (other than payment at maturity or mandatory prepayment), within 120 days after the effective date of such arrangement, of indebtedness for money borrowed by the Company or any Restricted Subsidiary which was recorded as funded debt as of the date of its creation and which, in the case of such indebtedness of the Company, is not subordinate and junior in right of payment to the Securities, subject to credits for certain voluntary retirements of such indebtedness. The term "value" means, with respect to a Sale and Leaseback Transaction, as of any particular time, the amount equal to the greater of (i) the net proceeds of the sale of the property leased pursuant to such Sale and Leaseback Transaction, or (ii) the fair value of such property at the time of entering into such Sale and Leaseback Transaction, as determined by the Board of Directors, in either case divided first by the number of full years of the term of the lease and then multiplied by the number of full years of such term remaining at the time of determination, without regard to any renewal or extension options contained in the lease.

SECTION 10.7 LIMITATION ON TRANSFER OF PRINCIPAL PROPERTY. The Company will not, and will not permit any Restricted Subsidiary to, transfer any Principal Property to any Unrestricted Subsidiary unless it applies an amount equal to the fair value of such property at the time of transfer, as determined by the Board of Directors, to the retirement (other than mandatory retirement), within 120 days after the effective date of such transfer, of indebtedness for money borrowed by the Company or any Restricted Subsidiary which was recorded as funded debt as of the date of its creation and which, in case of such indebtedness of the Company, is not subordinated and junior in right of payment of the Debt Securities. "Principal Property" means any manufacturing plant or other facility having a gross book value in excess

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of 1% of Consolidated Net Tangible Assets at the time of determination thereof and owned or leased by the Company or any Restricted Subsidiary and located in the United States of America, Canada or the Commonwealth of Puerto Rico, other

than any such manufacturing plant or other facility or portion thereof which, in the opinion of the Board of Directors, is not of material importance to the business conducted by the Company and its Subsidiaries as a whole.

SECTION 10.8 STATEMENT AS TO COMPLIANCE. The Company will deliver to the Trustee, within 120 days after the end of each fiscal year, a brief certificate from the principal executive officer, principal financial officer or principal accounting officer as to such officer's knowledge of the Company's compliance with all conditions and covenants under this Indenture. For purposes of this Section 10.8, such compliance shall be determined without regard to any period of grace or requirement of notice under this Indenture.

SECTION 10.9 ADDITIONAL AMOUNTS. If any Securities of a series provide for the payment of Additional Amounts, the Company will pay the Holder of any Security of such series or any coupon appertaining thereto Additional Amounts as may be specified as contemplated by Section 3.1. Whenever in this Indenture there is mentioned, in any context, the payment of the principal of or any premium or interest on, or in respect of, any Security of any series or payment of any related coupon or the net proceeds received on the sale or exchange of any Security of any series, such mention shall be deemed to include mention of the payment of Additional Amounts provided by the terms of such series established pursuant to Section 3.1 to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof pursuant to such terms and express mention of the payment of Additional Amounts (if applicable) in any provisions hereof shall not be construed as excluding Additional Amounts in those provisions hereof where such express mention is not made.

Except as otherwise specified as contemplated by Section 3.1, if the Securities of a series provide for the payment of Additional Amounts, at least 10 days prior to the first Interest Payment Date with respect to that series of Securities (or if the Securities of that series will not bear interest prior to Maturity, the first day on which a payment of principal and any premium is made), and at least 10 days prior to each date of payment of principal and any premium or interest if there has been any change with respect to the matters set forth in the below-mentioned Officers' Certificate, the Company will furnish the Trustee and the Company's principal Paying Agent or Paying Agents, if other than the Trustee, with an Officers' Certificate instructing the Trustee and such Paying Agent or Paying Agents whether such payment of principal of and any premium or interest on the Securities of the series shall be made to Holders of Securities of the series or any related coupons who are not United States persons without withholding for or on account of any tax, assessment or other governmental charge described in the Securities of the series. If any such withholding shall be required, then such Officers' Certificate shall specify by country the amount, if any, required to be withheld on such payments to such Holders of Securities of that series or related coupons and the Company will pay to the Trustee or any Paying Agent the Additional Amounts required by the terms of such Securities. In the event that the Trustee or any Paying Agent, as the case may be, shall not so receive the above-mentioned certificate, then the Trustee or such Paying Agent shall be entitled (i) to assume

that no such withholding or deduction is required with respect to any payment of principal or interest with respect to any Securities of a series or related coupons until it shall have received a certificate advising otherwise and (ii) to make all payments of principal and interest with respect to the Securities of a series or related coupons without withholding or deductions until otherwise advised. The Company covenants to indemnify the Trustee and any Paying Agent for, and to hold them harmless against, any loss, liability or expense reasonably incurred without negligence or bad faith on their part arising out of or in connection with actions taken or omitted by any of them in reliance on any Officer's Certificate furnished pursuant to this Section.

SECTION 10.10 WAIVER OF CERTAIN COVENANTS. The Company may omit in any particular instance to comply with any term, provision or condition

set forth in Sections 10.4, 10.5, 10.6 or 10.7 if before or after the time for such compliance the Holders of at least a majority in principal amount of all outstanding Securities, by Act of such Holders, waive such compliance in such instance or generally waive compliance with such term, provision or condition, but no such waiver shall extend to or after such term, provision or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the duties of the Trustee in respect of any such term, provision or condition shall become effective, the obligations of the Company and the duties of the Trustee in respect of any such term, provision or condition shall remain in full force and effect.

ARTICLE XI

REDEMPTION OF SECURITIES

SECTION 11.1 APPLICABILITY OF ARTICLE. Securities of any series which are redeemable before their Stated Maturity shall be redeemable in accordance with their terms and (except as otherwise specified as contemplated by Section 3.1 for Securities of any series) in accordance with this Article XI.

SECTION 11.2 ELECTION TO REDEEM; NOTICE TO TRUSTEE. The election of the Company to redeem any Securities shall be evidenced by or pursuant to a Board Resolution. In case of any redemption at the election of the Company of less than all of the Securities of any series, the Company shall, at least 60 days prior to the Redemption Date fixed by the Company (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee of such Redemption Date and of the principal amount of Securities of such series to be redeemed. In the case of any redemption of Securities prior to the expiration of any restriction on such redemption provided in the terms of such Securities or elsewhere in this Indenture, the Company shall furnish the Trustee with an Officers' Certificate evidencing compliance with such restriction.

SECTION 11.3 SELECTION BY TRUSTEE OF SECURITIES TO BE REDEEMED. If less than all the Securities of any series issued on the same day with the same terms are to be redeemed, the particular Securities to be redeemed shall be selected not more than 60 days prior to the

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Redemption Date by the Trustee, from the Outstanding Securities of such series issued on such date with the same terms not previously called for redemption, by such method as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions (equal to the minimum authorized denomination for Securities of that series or any integral multiple thereof) of the principal amount of Securities of such series of a denomination larger than the minimum authorized denomination for securities of that series.

The Trustee shall promptly notify the Company and the Security Registrar (if other than itself) in writing of the Securities selected for redemption and, in the case of any Securities selected for partial redemption, the principal amount thereof to be redeemed.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities shall relate, in the case of any Security redeemed or to be redeemed only in part, to the portion of the principal amount of such Security which has been or is to be redeemed.

SECTION 11.4 NOTICE OF REDEMPTION. Notice of redemption shall be given in the manner provided in Section 1.6, not less than 30 days nor more than 60 days prior to the Redemption Date, unless a shorter period is specified by the terms of such series established pursuant to Section 3.1, to each Holder of Securities to be redeemed, but failure to give such notice in the manner herein provided to the Holder of any Security designated for redemption as a whole or in part, or any defect in the notice to any such Holder, shall not

affect the validity of the proceedings for the redemption of any other such Security or portion thereof.

Any notice that is mailed to the Holders of Registered Securities in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the Holder receives the notice.

All notices of redemption shall state:

- (1) the Redemption Date,
- (2) the Redemption Price, accrued interest to the Redemption Date payable as provided in Section 11.6, if any, and Additional Amounts, if any,
- (3) if less than all Outstanding Securities of any series are to be redeemed, the identification (and, in the case of partial redemption, the principal amount) of the particular Security or Securities to be redeemed,
- (4) in case any Security is to be redeemed in part only, the notice which relates to such Security shall state that on and after the Redemption Date, upon surrender of such Security, the Holder will receive, without a charge, a new Security or Securities of authorized denominations for the principal amount thereof remaining unredeemed,

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(5) that on the Redemption Date the Redemption Price and accrued interest to the Redemption Date payable as provided in Section 11.6, if any, will become due and payable upon each such Security, or the portion thereof, to be redeemed and, if applicable, that interest thereon shall cease to accrue on and after said date,

(6) the Place or Places of Payment where such Securities, together in the case of Bearer Securities with all coupons appertaining thereto, if any, maturing after the Redemption Date, are to be surrendered for payment of the Redemption Price and accrued interest, if any,

(7) that the redemption is for a sinking fund, if such is the case,

(8) that, unless otherwise specified in such notice, Bearer Securities of any series, if any, surrendered for redemption must be accompanied by all coupons maturing subsequent to the date fixed for redemption or the amount of any such missing coupon or coupons will be deducted from the Redemption Price, unless security or indemnity satisfactory to the Company, the Trustee for such series and any Paying Agent is furnished,

(9) if Bearer Securities of any series are to be redeemed and any Registered Securities of such series are not to be redeemed, and if such Bearer Securities may be exchanged for Registered Securities not subject to redemption on this Redemption Date pursuant to Section 3.5 or otherwise, the last date, as determined by the Company, on which such exchanges may be made, and

(10) the CUSIP number of such Security, if any.

Notice of redemption of Securities to be redeemed shall be given by the Company or, at the Company's request, by the Trustee in the name and at the expense of the Company.

SECTION 11.5 DEPOSIT OF REDEMPTION PRICE. On or prior to any Redemption Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, which it may not do in the case of a sinking fund payment under Article XII, segregate and hold in trust as provided in Section 10.3) an amount of money in the currency or

currencies, currency unit or units or composite currency or currencies in which the Securities of such series are payable (except as otherwise specified pursuant to Section 3.1 for the Securities of such series and except, if applicable, as provided in Sections 3.12(b), 3.12(d) and 3.12(e)) sufficient to pay on the Redemption Date the Redemption Price of, and (except if the Redemption Date shall be an Interest Payment Date) accrued interest on, all the Securities or portions thereof which are to be redeemed on that date.

SECTION 11.6 SECURITIES PAYABLE ON REDEMPTION DATE. Notice of redemption having been given as aforesaid, the Securities so to be redeemed shall, on the Redemption Date,

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become due and payable at the Redemption Price therein specified in the currency or currencies, currency unit or units or composite currency or currencies in which the Securities of such series are payable (except as otherwise specified pursuant to Section 3.1 for the Securities of such series and except, if applicable, as provided in Sections 3.12(b), 3.12(d) and 3.12(e)) (together with accrued interest, if any, to the Redemption Date), and from and after such date (unless the Company shall default in the payment of the Redemption Price and accrued interest) such Securities shall if the same were interest-bearing cease to bear interest and the coupons for such interest appertaining to any Bearer Securities so to be redeemed, except to the extent provided below, shall be void. Upon surrender of any such Security for redemption in accordance with said notice, together with all coupons, if any, appertaining thereto maturing after the Redemption Date, such Security shall be paid by the Company at the Redemption Price, together with accrued interest, if any, to the Redemption Date; PROVIDED, HOWEVER, that installments of interest on Bearer Securities whose Stated Maturity is on or prior to the Redemption Date shall be payable only at an office or agency located outside the United States (except as otherwise provided in Section 10.2) and, unless otherwise specified as contemplated by Section 3.1, only upon presentation and surrender of coupons for such interest, and PROVIDED FURTHER that installments of interest on Registered Securities whose Stated Maturity is on or prior to the Redemption Date shall be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant Record Dates according to their terms and the provisions of Section 3.7.

If any Bearer Security surrendered for redemption shall not be accompanied by all appurtenant coupons maturing after the Redemption Date, such Security may be paid after deducting from the Redemption Price an amount equal to the face amount of all such missing coupons, or the surrender of such missing coupon or coupons may be waived by the Company and the Trustee if there be furnished to them such security or indemnity as they may require to save each of them and any Paying Agent harmless. If thereafter the Holder of such Security shall surrender to the Trustee or any Paying Agent any such missing coupon in respect of which a deduction shall have been made from the Redemption Price, such Holder shall be entitled to receive the amount so deducted; PROVIDED, HOWEVER, that interest represented by coupons shall be payable only at an office or agency located outside the United States (except as otherwise provided in Section 10.2) and, unless otherwise specified as contemplated by Section 3.1, only upon presentation and surrender of those coupons.

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

SECTION 11.7 SECURITIES REDEEMED IN PART. Any Registered Security which is to be redeemed only in part (pursuant to the provisions of this Article XI or of Article XII) shall be surrendered at a Place of Payment therefor (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or such Holder's attorney duly

authorized in writing) and the Company shall execute and the Trustee shall authenticate and deliver to the

Holder of such Security without service charge a new Security or Securities of the same series, of any authorized denomination as requested by such Holder in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered.

ARTICLE XII

SINKING FUNDS

SECTION 12.1 APPLICABILITY OF ARTICLE. The provisions of this Article XII shall be applicable to any sinking fund for the retirement of Securities of a series except as otherwise specified as contemplated by Section 3.1 for Securities of such series.

The minimum amount of any sinking fund payment provided for by the terms of Securities of any series is herein referred to as a "mandatory sinking fund payment," and any payment in excess of such minimum amount provided for by the terms of such Securities of any series is herein referred to as an "optional sinking fund payment." If provided for by the terms of any Securities of any series, the cash amount of any mandatory sinking fund payment may be subject to reduction as provided in Section 12.2. Each sinking fund payment shall be applied to the redemption of Securities of any series as provided for by the terms of Securities of such series.

SECTION 12.2 SATISFACTION OF SINKING FUND PAYMENTS WITH SECURITIES. The Company may, in satisfaction of all or any part of any mandatory sinking fund payment with respect to the Securities of a series, (1) deliver Outstanding Securities of such series (other than any previously called for redemption) together, in the case of any Bearer Securities of such series, with all unmatured coupons appertaining thereto and (2) apply as a credit Securities of such series which have been redeemed either at the election of the Company pursuant to the terms of such Securities or through the application of permitted optional sinking fund payments pursuant to the terms of such Securities, as provided for by the terms of such Securities; PROVIDED that such Securities so delivered or applied as a credit have not been previously so credited. Such Securities shall be received and credited for such purpose by the Trustee at the applicable Redemption Price specified in such Securities for redemption through operation of the sinking fund, and the amount of such mandatory sinking fund payment shall be reduced accordingly.

SECTION 12.3 REDEMPTION OF SECURITIES FOR SINKING FUND. Not less than 60 days prior to each sinking fund payment date for Securities of any series, the Company will deliver to the Trustee an Officers' Certificate specifying the amount of the next ensuing mandatory sinking fund payment for that series pursuant to the terms of that series, the portion thereof, if any, which is to be satisfied by payment of cash in the currency or currencies, currency unit or units or composite currency or currencies in which the Securities of such series are payable (except as otherwise specified pursuant to Section 3.1 for the Securities of such series and except, if applicable, as provided in Sections 3.12(b), 3.12(d) and 3.12(c)) and the

portion thereof, if any, which is to be satisfied by delivering and crediting Securities of that series pursuant to Section 12.2, and the optional amount, if any, to be added in cash to the next ensuing mandatory sinking fund payment, and will also deliver to the Trustee any Securities to be so delivered and credited. If such Officers' Certificate shall specify an optional amount to be added in

cash to the next ensuing mandatory sinking fund payment, the Company shall thereupon be obligated to pay the amount therein specified. Not less than 30 days before each such sinking fund payment date the Trustee shall select the Securities to be redeemed upon such sinking fund payment date in the manner specified in Section 11.3 and cause notice of the redemption thereof to be given in the name of and at the expense of the Company in the manner provided in Section 11.4. Such notice having been duly given, the redemption of such Securities shall be made upon the terms and in the manner stated in Sections 11.6 and 11.7.

ARTICLE XIII

REPAYMENT AT THE OPTION OF HOLDERS

SECTION 13.1 APPLICABILITY OF ARTICLE. Repayment of Securities of any series before their Stated Maturity at the option of the Holders thereof shall be made in accordance with the terms of such Securities and (except as otherwise specified by the terms of such series established pursuant to Section 3.1) in accordance with this Article XIII.

SECTION 13.2 REPAYMENT OF SECURITIES. Securities of any series subject to repayment in whole or in part at the option of the Holders thereof will, unless otherwise provided in the terms of such Securities, be repaid at a price equal to the principal amount thereof, together with interest, if any, thereon accrued to the Repayment Date specified in or pursuant to the terms of such Securities. The Company covenants that on or before the Repayment Date it will deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 10.3) an amount of money in the currency or currencies, currency unit or units or composite currency or currencies in which the Securities of such series are payable (except as otherwise specified pursuant to Section 3.1 for the Securities of such series and except, if applicable, as provided in Sections 3.12(b), 3.12(d) and 3.12(e)) sufficient to pay the principal (or, if so provided by the terms of the Securities of any series, a percentage of the principal) of, and (except if the Repayment Date shall be an Interest Payment Date) accrued interest on, all the Securities or portions thereof, as the case may be, to be repaid on such date.

SECTION 13.3 EXERCISE OF OPTION. Securities of any series subject to repayment at the option of the Holders thereof will contain an "Option to Elect Repayment" form on the reverse of such Securities. To be repaid at the option of the Holder, any Security so providing for such repayment, with the "Option to Elect Repayment" form on the reverse of such Security duly completed by the Holder (or by the Holder's attorney duly authorized in writing), must be received by the Company at the Place of Payment therefor specified in the terms of such Security (or at such other place or places of which the Company shall from time to time notify

the Holders of such Securities) not earlier than 45 days nor later than 30 days prior to the Repayment Date. If less than the entire principal amount of such Security is to be repaid in accordance with the terms of such Security, the principal amount of such Security to be repaid, in increments of the minimum denomination for Securities of such series, and the denomination or denominations of the Security or Securities to be issued to the Holder for the portion of the principal amount of such Security surrendered that is not to be repaid, must be specified. The principal amount of any Security providing for repayment at the option of the Holder thereof may not be repaid in part if, following such repayment, the unpaid principal amount of such Security would be less than the minimum authorized denomination of Securities of the series of which such Security to be repaid is a part. Except as otherwise may be provided by the terms of any Security providing for repayment at the option of the Holder thereof, exercise of the repayment option by the Holder shall be irrevocable unless waived by the Company.

SECTION 13.4 WHEN SECURITIES PRESENTED FOR REPAYMENT BECOME DUE AND PAYABLE. If Securities of any series providing for repayment at the option of the Holders thereof shall have been surrendered as provided in this Article XIII and as provided by or pursuant to the terms of such Securities, such Securities or the portions thereof, as the case may be, to be repaid shall become due and payable and shall be paid by the Company on the Repayment Date therein specified, and on and after such Repayment Date (unless the Company shall default in the payment of such Securities on such Repayment Date) such Securities shall, if the same were interest-bearing, cease to bear interest and the coupons for such interest appertaining to any Bearer Securities so to be repaid, except to the extent provided below, shall be void. Upon surrender of any such Security for repayment in accordance with such provisions, together with all coupons, if any, appertaining thereto maturing after the Repayment Date, the principal amount of such Security so to be repaid shall be paid by the Company, together with accrued interest, if any, to the Repayment Date; PROVIDED, HOWEVER, that coupons whose Stated Maturity is on or prior to the Repayment Date shall be payable only at an office or agency located outside the United States (except as otherwise provided in Section 10.2) and, unless otherwise specified pursuant to Section 3.1, only upon presentation and surrender of such coupons, and PROVIDED FURTHER that, in the case of Registered Securities, installments of interest, if any, whose Stated Maturity is on or prior to the Repayment Date shall be payable (but without interest thereon, unless the Company shall default in the payment thereof) to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant Record Dates according to their terms and the provisions of Section 3.7.

If any Bearer Security surrendered for repayment shall not be accompanied by all appurtenant coupons maturing after the Repayment Date, such Security may be paid after deducting from the amount payable therefor as provided in Section 13.2 an amount equal to the face amount of all such missing coupons, or the surrender of such missing coupon or coupons may be waived by the Company and the Trustee if there be furnished to them such security or indemnity as they may require to save each of them and any Paying Agent harmless. If thereafter the Holder of such Security shall surrender to the Trustee or any Paying Agent any such missing coupon in respect of which a deduction shall have been made as provided in the preceding sentence, such Holder shall be entitled to receive the amount so deducted; PROVIDED,

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HOWEVER, that interest represented by coupons shall be payable only at an office or agency located outside the United States (except as otherwise provided in Section 10.2) and, unless otherwise specified as contemplated by Section 3.1, only upon presentation and surrender of those coupons.

If the principal amount of any Security surrendered for repayment shall not be so repaid upon surrender thereof, such principal amount (together with interest, if any, thereon accrued to such Repayment Date) shall, until paid, bear interest from the Repayment Date at the rate of interest or Yield to Maturity (in the case of Original Issue Discount Securities) set forth in such Security.

SECTION 13.5 SECURITIES REPAYED IN PART. Upon surrender of any Registered Security which is to be repaid in part only, the Company shall execute and the Trustee shall authenticate and deliver to the Holder of such Security, without service charge and at the expense of the Company, a new Registered Security or Securities of the same series, of any authorized denomination specified by the Holder, in an aggregate principal amount equal to and in exchange for the portion of the principal of such Security so surrendered which is not to be repaid.

DEFEASANCE AND COVENANT DEFEASANCE

SECTION 14.1 APPLICABILITY OF ARTICLE; COMPANY'S OPTION TO EFFECT DEFEASANCE OR COVENANT DEFEASANCE. If pursuant to Section 3.1 provision is made for either or both of (a) defeasance of the Securities of or within a series under Section 14.2 or (b) covenant defeasance of the Securities of or within a series under Section 14.3, then the provisions of such Section or Sections, as the case may be, together with the other provisions of this Article XIV (with such modifications thereto as may be specified pursuant to Section 3.1 with respect to any Securities), shall be applicable to such Securities and any coupons appertaining thereto, and the Company may at its option by Board Resolution, at any time, with respect to such Securities and any coupons appertaining thereto, elect to have Section 14.2 (if applicable) or Section 14.3 (if applicable) be applied to the Outstanding Securities of such series and any coupons appertaining thereto upon compliance with the conditions set forth below in this Article XIV.

SECTION 14.2 DEFEASANCE AND DISCHARGE. Upon the Company's exercise of the above option applicable to this Section 14.2 with respect to any Securities of or within a series, the Company shall be deemed to have been discharged from its obligations with respect to the Outstanding Securities of such series and any coupons appertaining thereto on the date the conditions set forth in Section 14.4 are satisfied (hereinafter, "defeasance"). For this purpose, such defeasance means that the Company shall be deemed to have paid and discharged the entire indebtedness represented by the Outstanding Securities of such series and any coupons appertaining thereto, which shall thereafter be deemed to be "Outstanding" only for the purposes of

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Section 14.5 and the other Sections of this Indenture referred to in clauses (A) and (B) of this Section 14.2, and to have satisfied all its other obligations under such Securities and any coupons appertaining thereto and this Indenture insofar as such Securities and any coupons appertaining thereto are concerned (and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging the same), except for the following which shall survive until otherwise terminated or discharged hereunder: (A) the rights of Holders of the Outstanding Securities of such series and any coupons appertaining thereto to receive, solely from the trust fund described in Section 14.4 and as more fully set forth in such Section, payments in respect of the principal of (and premium, if any) and interest, if any, on such Securities and any coupons appertaining thereto when such payments are due, (B) the Company's obligations with respect to such Securities under Sections 3.5, 3.6, 10.2 and 10.3 and with respect to the payment of Additional Amounts, if any, on such Securities as contemplated by Section 10.9, (C) the rights, powers, trusts, duties and immunities of the Trustee hereunder and (D) this Article XIV. Subject to compliance with this Article XIV, the Company may exercise its option under this Section 14.2 notwithstanding the prior exercise of its option under Section 14.3 with respect to such Securities and any coupons appertaining thereto.

SECTION 14.3 COVENANT DEFEASANCE. Upon the Company's exercise of the above option applicable to this Section 14.3 with respect to any Securities of or within a series, the Company shall be released from its obligations under Sections 10.4, 10.5, 10.6 and 10.7, and, if specified pursuant to Section 3.1, its obligations under any other covenant (except those obligations set forth in Sections 5.14, 10.1 and 10.2), with respect to the Outstanding Securities of such series and any coupons appertaining thereto on and after the date the conditions set forth in Section 14.4 are satisfied (hereinafter, "covenant defeasance"), and such Securities and any coupons appertaining thereto shall thereafter be deemed to be not "Outstanding" for the purposes of any direction, waiver, consent or declaration or Act of Holders (and the consequences of any thereof) in connection with Sections 10.4, 10.5, 10.6 and 10.7, or such other covenant, but shall continue to be deemed "Outstanding" for all other purposes hereunder. For this purpose, such covenant defeasance means that, with respect to the Outstanding Securities of such series and any

coupons appertaining thereto, the Company may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such Section or such other covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such Section or such other covenant or by reason of reference in any such Section or such other covenant to any other provision herein or in any other document, and payment of the Securities of such series may not be accelerated because of a default or an Event of Default under Section 5.1(7), 5.1(8) or 5.1(9) or because of the failure of the Company to comply with Section 8.1(3), as the case may be, but, except as specified above, the remainder of this Indenture and such Securities and any coupons appertaining thereto shall be unaffected thereby.

SECTION 14.4 CONDITIONS TO DEFEASANCE OR COVENANT DEFEASANCE.

The following shall be the conditions to application of Section 14.2 or Section 14.3 to any Outstanding Securities of or within a series and any coupons appertaining thereto:

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(a) The Company shall irrevocably have deposited or caused to be deposited with the Trustee (or another trustee satisfying the requirements of Section 6.7 who shall agree to comply with the provisions of this Article XIV applicable to it) as trust funds in trust for the purpose of making the following payments, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of such Securities and any coupons appertaining thereto, (1) money in an amount (in such currency, currencies or currency unit in which such Securities and any coupons appertaining thereto and then specified as payable at Stated Maturity), or (2) Government Obligations applicable to such Securities and coupons appertaining thereto (determined on the basis of the currency, currencies or currency unit in which such Securities and coupons appertaining thereto are then specified as payable at Stated Maturity) which through the scheduled payment of principal and interest in respect thereof in accordance with their terms will provide, not later than one day before the due date of any payment of principal of (and premium, if any) and interest, if any, on such Securities and any coupons appertaining thereto, money in an amount, or (3) a combination thereof in an amount, which, in the case of (1), (2) or (3) is sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge, and which shall be applied by the Trustee (or other qualifying trustee) to pay and discharge, (i) the principal of (and premium, if any) and interest, if any, on such Outstanding Securities and any coupons appertaining thereto on the Stated Maturity of such principal or installment of principal or interest and (ii) any mandatory sinking fund payments or analogous payments applicable to such Outstanding Securities and any coupons appertaining thereto on the day on which such payments are due and payable in accordance with the terms of this Indenture and of such Securities and any coupons appertaining thereto;

(b) Such defeasance or covenant defeasance shall not result in a breach or violation of, or constitute a default under, this Indenture or any other material agreement or instrument to which the Company is a party or by which it is bound;

(c) No Event of Default or event which with notice or lapse of time or both would become an Event of Default with respect to such Securities and any coupons appertaining thereto shall have occurred and be continuing on the date of such deposit or, insofar as Sections 5.1(5) and 5.1(6) are concerned, at any time during the period ending on the 91st day after the date of such deposit (it being understood that this condition shall not be deemed satisfied until the expiration of such period);

(d) In the case of an election under Section 14.2, the Company shall have delivered to the Trustee an Opinion of Counsel by recognized counsel who is not an employee of the Company stating that (i) the Company has received from, or there has been published by, the Internal Revenue Service a ruling, or (ii) since the date of execution of this Indenture, there has been a

change in the applicable federal income tax law, in either case to the effect that, and based thereon such opinion shall confirm that, the Holders of such Outstanding Securities and any coupons appertaining thereto will not recognize income, gain or loss for federal income tax purposes as a result of such defeasance and will be subject to federal income tax on the same

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amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred;

(e) In the case of an election under Section 14.3, the Company shall have delivered to the Trustee an Opinion of Counsel by recognized counsel who is not an employee of the Company to the effect that the Holders of such Outstanding Securities and any coupons appertaining thereto will not recognize income, gain or loss for federal income tax purposes as a result of such covenant defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred;

(f) The Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent to the defeasance under Section 14.2 or the covenant defeasance under Section 14.3 (as the case may be) have been complied with; and

(g) Notwithstanding any other provisions of this Section 14.4, such defeasance or covenant defeasance shall be effected in compliance with any additional or substitute terms, conditions or limitations which may be imposed on the Company in connection therewith pursuant to Section 3.1.

SECTION 14.5 DEPOSITED MONEY AND GOVERNMENT OBLIGATIONS TO BE HELD IN TRUST; OTHER MISCELLANEOUS PROVISIONS. Subject to the provisions of the last paragraph of Section 10.3, all money and Government Obligations (or other property as may be provided pursuant to Section 3.1) (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this Section 14.5, the "Trustee") pursuant to Section 14.4 in respect of any Outstanding Securities of any series and any coupons appertaining thereto shall be held in trust and applied by the Trustee, in accordance with the provisions of such Securities and any coupons appertaining thereto and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Holders of such Securities and any coupons appertaining thereto of all sums due and to become due thereon in respect of principal (and premium, if any) and interest and Additional Amounts, if any, but such money need not be segregated from other funds except to the extent required by law.

Unless otherwise specified with respect to any Security pursuant to Section 3.1, if, after a deposit referred to in Section 14.4(a) has been made, (a) the Holder of a Security in respect of which such deposit was made is entitled to, and does, elect pursuant to Section 3.12(b) or the terms of such Security to receive payment in a currency or currency unit other than that in which the deposit pursuant to Section 14.4(a) has been made in respect of such Security, or (b) a Conversion Event occurs as contemplated in Section 3.12(d) or 3.12(e) or by the terms of any Security in respect of which the deposit pursuant to Section 14.4(a) has been made, the indebtedness represented by such Security and any coupons appertaining thereto shall be deemed to have been, and will be, fully discharged and satisfied through the payment of the

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principal of (and premium, if any) and interest, if any, on such Security as the same becomes due out of the proceeds yielded by converting (from time to time as specified below in the case of any such election) the amount or other property

[illegible]

On the _____ day of _____, 199_, before me personally came _____, to me known, who, being by me duly sworn, did depose and say that [he] resides at _____, that [he] is [TITLE] of Snap-on Incorporated, one of the corporations described in and which executed the foregoing instrument; that [he] knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation, and that [he] signed [his] name thereto by like authority.

[Notarial Seal]

Notary Public
COMMISSION EXPIRES

STATE OF WISCONSIN)
) SS:
COUNTY OF _____)

On the _____ day of _____, 1994, before me personally came _____, to me known, who, being by me duly sworn, did depose and say that [he] resides at _____, that [he] is [TITLE] of Firststar Trust Company, one of the corporations described in and which executed the foregoing instrument; that [he] knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation, and that [he] signed [his] name thereto by like authority.

[Notarial Seal]

Notary Public
COMMISSION EXPIRES

EXHIBIT A

FORMS OF CERTIFICATION

EXHIBIT A-1

FORM OF CERTIFICATE TO BE GIVEN BY PERSON ENTITLED
TO RECEIVE BEARER SECURITY OR TO OBTAIN INTEREST

PAYABLE PRIOR TO THE EXCHANGE DATE

CERTIFICATE

[Insert title or sufficient descriptions of Securities to be delivered]

This is to certify that, as of the date hereof, and except as set forth below, the above-captioned Securities held by you for our account (i) are owned by person(s) that are not citizens or residents of the United States, domestic partnerships, domestic corporations or any estate or trust the income of which is subject to United States federal income taxation regardless of its source ("United States person(s)"), (ii) are owned by United States person(s) that are (a) foreign branches of United States financial institutions (financial institutions, as defined in United States Treasury Regulations Section 2.165-12(c)(1)(v) are herein referred to as "financial institutions") purchasing for their own account or for resale, or (b) United States person(s) who acquired the Securities through foreign branches of United States financial institutions and who hold the Securities through such United States financial institutions on

the date hereof (and in either case (a) or (b), each such United States financial institution hereby agrees, on its own behalf or through its agent, that you may advise Snap-on Incorporated or its agent that such financial institution will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the United States Internal Revenue Code of 1986, as amended, and the regulations thereunder), or (iii) are owned by United States or foreign financial institution(s) for purposes of resale during the restricted period (as defined in United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)), and, in addition, if the owner is a United States or foreign financial institution described in clause (iii) above (whether or not also described in clause (i) or (ii)), this is to further certify that such financial institution has not acquired the Securities for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

As used herein, "United States" means the United States of America (including the States and the District of Columbia); and its "possessions" include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.

We undertake to advise you promptly by tested telex on or prior to the date on which you intend to submit your certification relating to the above-captioned Securities held by you for our account in accordance with your Operating Procedures if any applicable statement

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herein is not correct on such date, and in the absence of any such notification it may be assumed that this certification applies as of such date.

This certificate excepts and does not relate to [U.S.\$] _____ of such interest in the above-captioned Securities in respect of which we are not able to certify and as to which we understand an exchange for an interest in a Permanent Global Security or an exchange for and delivery of definitive Securities (or, if relevant, collection of any interest) cannot be made until we do so certify.

We understand that this certificate may be required in connection with certain tax legislation in the United States. If administrative or legal proceedings are commenced or threatened in connection with which this certificate is or would be relevant, we irrevocably authorize you to produce this certificate or a copy thereof to any interested party in such proceedings.

Dated: _____, 19

[To be dated no earlier than the 15th day prior to (i) the Exchange Date or (ii) the relevant Interest Payment Date occurring prior to the Exchange Date, as applicable]

[Name of Person Making Certification]

(Authorized Signatory)

Name:

Title:

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EXHIBIT A-2

FORM OF CERTIFICATE TO BE GIVEN BY EUROCLEAR

AND CEDEL S.A. IN CONNECTION WITH THE EXCHANGE OF
A PORTION OF A TEMPORARY GLOBAL SECURITY OR TO
OBTAIN INTEREST PAYABLE PRIOR TO THE EXCHANGE DATE

CERTIFICATE

[Insert title or sufficient description of Securities to be delivered]

This is to certify that, based solely on written certifications that we have received in writing, by tested telex or by electronic transmission from each of the persons appearing in our records as persons entitled to a portion of the principal amount set forth below (our "Member Organizations") substantially in the form attached hereto, as of the date hereof, [U.S.\$] principal amount of the above-captioned Securities (i) is owned by person(s) that are not citizens or residents of the United States, domestic partnerships, domestic corporations or any estate or trust the income of which is subject to United States Federal income taxation regardless of its source ("United States person(s)"), (ii) is owned by United States person(s) that are (a) foreign branches of United States financial institutions (financial institutions, as defined in U.S. Treasury Regulations Section 1.165-12(c)(1)(v) are herein referred to as "financial institutions") purchasing for their own account or for resale, or (b) United States person(s) who acquired the Securities through foreign branches of United States financial institutions and who hold the Securities through such United States financial institutions on the date hereof (and in either case (a) or (b), each such financial institution has agreed, on its own behalf or through its agent, that we may advise Snap-on Incorporated or its agent that such financial institution will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder), or (iii) is owned by United States or foreign financial institution(s) for purposes of resale during the restricted period (as defined in United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)), and, to the further effect, that financial institutions described in clause (iii) above (whether or not also described in clause (i) or (ii)) have certified that they have not acquired the Securities for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

As used herein, "United States" means the United States of America (including the States and the District of Columbia); and its "possessions" include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.

We further certify that (i) we are not making available herewith for exchange (or, if relevant, collection of any interest) any portion of the temporary global Security representing the above-captioned Securities excepted in the above-referenced certificates of Member Organizations and (ii) as of the date hereof we have not received any notification from any of

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our Member Organizations to the effect that the statements made by such Member Organizations with respect to any portion of the part submitted herewith for exchange (or, if relevant, collection of any interest) are no longer true and cannot be relied upon as of the date hereof.

We understand that this certification is required in connection with certain tax legislation in the United States. If administrative or legal proceedings are commenced or threatened in connection with which this certificate is or would be relevant, we irrevocably authorize you to produce this certificate or a copy thereof to any interested party in such proceedings.

Dated: _____, 19

[To be dated no earlier than the Exchange Date]

or the relevant Interest Payment Date occurring
prior to the Exchange Date, as applicable]

[Morgan Guaranty Trust Company of
New York, Brussels Office,] as
Operator of the Euroclear System
[Cedel S.A.]

By

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[FORM OF FACE OF NOTE]

NO. ____

\$ _____

[THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE OF A DEPOSITORY OR A SUCCESSOR DEPOSITORY. THIS SECURITY IS NOT EXCHANGEABLE FOR SECURITIES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITORY OR ITS NOMINEE EXCEPT IN THE CIRCUMSTANCES DESCRIBED IN THE INDENTURE AND NO TRANSFER OF THIS SECURITY (OTHER THAN A TRANSFER OF THIS SECURITY AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY OR BY A NOMINEE OF THE DEPOSITORY TO THE DEPOSITORY OR ANOTHER NOMINEE OF THE DEPOSITORY OR BY THE DEPOSITORY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITORY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITORY) MAY BE REGISTERED EXCEPT IN THE CIRCUMSTANCES DESCRIBED IN THE INDENTURE.]

[UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) ("DTC") TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.)]

SNAP-ON INCORPORATED

_____% NOTE DUE _____, SERIES ____

SNAP-ON INCORPORATED, a Delaware corporation (herein referred to as the "Company," which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to _____ or registered assigns, the principal sum of _____ Dollars [or, insert applicable currency] on _____.

The Company will pay interest on the principal amount of this Security semi-annually at the rate of __% per annum. Interest Payment Dates are _____ and _____, and Regular Record Dates are _____ and _____.

[Insert provisions for Additional Amounts, if applicable.]

Reference is made to the further provisions of this Security set forth herein, which will for all purposes have the same effect as if set forth at this place.

Dated: _____

SNAP-ON INCORPORATED

By: _____

Attest:

(SEAL)

Secretary

TRUSTEE'S CERTIFICATE OF
AUTHENTICATION

_____, as
Trustee, certifies that
this is one of the Securities
referred to in the within-
mentioned Indenture.

By _____
Authorized Signatory

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[FORM OF REVERSE OF NOTE]

SNAP-ON INCORPORATED
_____ % NOTE DUE _____, SERIES _____

1. INTEREST. The Company promises to pay interest on the principal amount of this Security at the rate per annum set forth above. The Company will pay interest semi-annually on _____ and _____ of each year. Interest on this Security will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of issuance; PROVIDED that the first interest payment date shall be _____, _____. The Company shall pay interest on overdue principal at the rate borne by this Security and it shall pay interest on overdue installments of interest (without regard to any applicable grace periods) at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

[Insert provisions on the payment of Additional Amounts, if applicable.]

2. METHOD OF PAYMENT. The Company will pay interest [and Additional Amounts] on the Securities (except defaulted interest) to the Persons who are registered holders of the Securities ("Holders") at the close of business on the Regular Record Dates referred to on the other side of this Security. Holders of Securities must surrender them to a Paying Agent to collect principal payments. The Company will pay principal [, Additional Amounts] and interest in money of the United States that at the time of payment is legal tender for payment of public and private debts [or, insert applicable currency]. The Company, at its option, may pay principal and interest by check payable in such money. It may mail an interest check to a Holder's registered address. If a payment date is not a Business Day at a Place of Payment, payment may be made at that place on the next succeeding Business Day, and no interest on the amount payable on such payment date shall accrue for the intervening period.

3. PAYING AGENT AND REGISTRAR. Initially, Firststar Trust Company, a Wisconsin state banking association (the "Trustee," which term shall include any successor trustee under the Indenture hereinafter referred to), will act as Paying Agent and Registrar. The Company may appoint and change any Paying Agent, Registrar or co-registrar without notice to any Holder. The

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Company or any of its Subsidiaries may act as Paying Agent, Registrar or co-registrar.

4. INDENTURE. The Company issued the Securities under an Indenture dated as of _____, 199_ (as it may be amended from time to time in accordance with the terms thereof, the "Indenture") between the Company and the Trustee. The terms of the Securities include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 U.S. Code Sections 77aaa-77bbbb) as in effect on the date of the Indenture "Act"). The Securities are subject to all such terms, and Holders are referred to the Indenture and such Act for a statement of such terms.

5. REDEMPTION. [IF APPLICABLE, INSERT -- The Securities of this series may not be redeemed prior to Maturity.]

[IF APPLICABLE, INSERT -- The Securities of this series are subject to redemption [(1)] [IF APPLICABLE, INSERT -- on _____ in any year commencing with the year ____ and ending with the year ____ through operation of the sinking fund for this series at a Redemption Price equal to 100% of the principal amount, [and] (2)] [IF APPLICABLE, INSERT -- at any time [on or after _____], as a whole or in part, at the election of the Company, at the following Redemption Prices (expressed as percentages of the principal amount): If redeemed on or before _____, __%, and if redeemed] during the 12-month period beginning _____ of the years indicated,

Year	Redemption Price	Year	Redemption Price
- ----	-----	----	-----

and thereafter at a Redemption Price equal to __% of the principal amount, together in the case of any such redemption [IF APPLICABLE, INSERT -- (whether through operation of the sinking fund or otherwise)] with accrued interest to the Redemption Date; PROVIDED, HOWEVER, that installments of interest on this Security whose Stated Maturity is on or prior to such Redemption Date will be payable to the Holder of this Security, or one or more Predecessor Securities, of record at the close of business on the relevant Record Dates referred to on the face hereof, all as provided in the Indenture.]

[IF APPLICABLE, INSERT -- The Securities of this series are subject to redemption (1) on _____ in any year commencing with the year ____ and ending with the year ____ through operation of the sinking fund for this series at

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the Redemption Prices for redemption through operation of the sinking fund (expressed as percentages of the principal amount) set forth in the table below, and (2) at any time [on or after _____], as a whole or in part, at the election of the Company, at the Redemption Prices for redemption otherwise than through operation of the sinking fund (expressed as percentages of the principal amount) set forth in the table below: If redeemed during the 12-month period beginning _____ of the years indicated,

Year	Redemption Price for Redemption Through Operation of the Sinking Fund	Redemption Price for Redemption Otherwise Than Through Operation of the Sinking Fund
- ----	-----	-----

and thereafter at a Redemption Price equal to __% of the principal amount, together in the case of any such redemption (whether through operation of the sinking fund or otherwise) with accrued interest to the Redemption Date; PROVIDED, HOWEVER, that installments of interest on this Security whose Stated Maturity is on or prior to such Redemption Date will be payable to the Holder of this Security, or one or more Predecessor Securities, of record at the close of business on the relevant Record Dates referred to on the face hereof, all as provided in the Indenture.]

[The sinking fund for this series provides for the redemption on _____ in each year, beginning with the year ____ and ending with the year ____, of [not less than] \$_____ [("mandatory sinking fund") and not more than \$_____] aggregate principal amount of the Securities of this series.
[Securities of this series acquired or redeemed by the Company otherwise than

through [mandatory] sinking fund payments may be credited against subsequent [mandatory] sinking fund payments otherwise required to be made in the [DESCRIBE ORDER] order in which they become due.]]

Notice of redemption will be given by mail to Holders of Securities, not less than 30 nor more than 60 days prior to the date fixed for redemption, all as provided in the Indenture.

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In the event of redemption of this Security in part only, a new Security or Securities of this series for the unredeemed portion hereof shall be issued in the name of the Holder hereof upon the cancellation hereof.]

6. [REPURCHASE OF SECURITIES AT THE OPTION OF THE HOLDER. Subject to the terms and conditions of the Indenture, [insert applicable repurchase options].]

7. DENOMINATIONS, TRANSFER, EXCHANGE. The Securities are in registered form, without coupons, in denominations of \$1,000 and in integral multiples of \$1,000 [or, insert applicable denomination]. A Holder may transfer or exchange Securities as provided in the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture.

8. PERSONS DEEMED OWNERS. The registered Holder of a Security may be treated as its owner for all purposes.

9. AMENDMENTS AND WAIVERS. Subject to certain exceptions, the Indenture or the Securities with respect to any series may be amended with the consent of the Holders of a majority in principal amount of the then outstanding Securities of such series, and any existing default with respect to any series (except a payment default) may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Securities of such series. Without the consent of any Holder of a particular series, the Indenture or the Securities with respect to such series may be amended (a) to evidence the succession of another Person to the Company and the assumption by any such successor of the covenants of the Company, (b) to add to the covenants of the Company for the benefit of the Holders or to surrender any right or power conferred upon the Company, (c) to add any additional Events of Default for the benefit of the Holders, (d) to add to or change any of the provisions of the Indenture to provide that Bearer Securities may be registrable as to principal, to change or eliminate any restrictions on the payment of principal of or any premium or interest on Bearer Securities, to permit Bearer Securities to be issued in exchange for Registered Securities, to permit Bearer Securities to be issued in exchange for Bearer Securities of other authorized denominations or to permit or facilitate the issuance of Securities in uncertificated form, PROVIDED that any such action shall not adversely affect the interests of the Holders of Securities of any series or any related coupons, (e) to change or eliminate any of the provisions of the Indenture,

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PROVIDED that any such change or elimination shall become effective only when there is no Security Outstanding of any series created prior to the execution of such supplemental indenture which is entitled to the benefit of such provision, (f) to secure the Securities pursuant to the requirements of the Indenture, or otherwise, (g) to establish the form or terms of the Securities as permitted by the Indenture, (h) to evidence and provide for the acceptance of appointment under the Indenture by a successor Trustee and to add to or change any of the provisions of the Indenture as shall be necessary to provide for or facilitate the administration of the trusts thereunder by more than one Trustee, (i) to cure any ambiguity or inconsistency, or to make any other provisions with

respect to matters or questions arising under the Indenture, PROVIDED such action shall not adversely affect the interests of the Holders of Securities of any series or any related coupons, or (j) to supplement any of the provisions of the Indenture to such extent as shall be necessary to permit or facilitate the defeasance and discharge of any series of Securities pursuant to the Indenture, PROVIDED that any such action shall not adversely affect interests of the Holders of Securities of such series and any related coupons or any other series of Securities.

[10. DEFEASANCE. The Indenture contains provisions that apply to the Securities of this series for defeasance at any time of (a) the entire indebtedness of the Company on the Securities of this series and (b) certain restrictive covenants and the related acceleration of payment provisions with respect to the Securities of this series, upon compliance by the Company with certain conditions set forth therein.]

11. RESTRICTIVE COVENANTS. The Indenture imposes certain limitations on the incurrence of Secured Debt by the Company or any of its Restricted Subsidiaries, the transfer of Principal Property by the Company or any of its Restricted Subsidiaries and Sale and Leaseback Transactions by the Company or any of its Restricted Subsidiaries.

12. DEFAULTS AND REMEDIES. Under the Indenture, Events of Default with respect to any series of the Securities include: default in payment of any installment of interest on or any Additional Amounts payable with respect to any Security of that series for 30 days; default in payment of all or any part of the principal of (or premium, if any, on) any Security of that series; default in the deposit of any sinking fund payment when due; failure by the Company to comply with any of its other agreements in the Indenture or in the Securities (for 60 days after notice); certain defaults under and accelerations of other Indebtedness; certain final judgments which remain undischarged; and certain events of bank-

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ruptcy or insolvency. If an Event of Default with respect to any series occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the then outstanding Securities of that series may declare all the Securities of that series to be due and payable as provided in the Indenture, except that in the case of an Event of Default arising from certain events of bankruptcy or insolvency, all outstanding Securities become due and payable immediately without further action or notice. Holders may not enforce the Indenture or the Securities except as provided in the Indenture. The Trustee may require indemnity satisfactory to it before it enforces the Indenture or the Securities. Subject to certain limitations, Holders of a majority in principal amount of the then outstanding Securities may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders notice of any continuing default (except a default in payment of principal (or premium, if any), interest or any Additional Amounts) if it determines that withholding notice is in their interests. The Company must furnish an annual compliance certificate to the Trustee.

13. TRUSTEE DEALINGS WITH COMPANY. Subject to certain limitations imposed by the Act, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Securities, and may otherwise deal with the Company or its Affiliates, as if it were not Trustee.

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

15. AUTHENTICATION. This Security shall not be valid until

authenticated by the manual signature of an authorized signatory of the Trustee or an authenticating agent.

16. ABBREVIATIONS. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entirety), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

The Company will furnish to any Holder upon written request and without charge a copy of the Indenture. Requests may be made to:

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Snap-on Incorporated
2801-80th Street
Kenosha, Wisconsin 53141-1410
Attention: General Counsel

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ASSIGNMENT FORM

To assign this Security, fill in the form below: I or we assign and transfer this Security to

(Insert assignee's soc. sec. or tax I.D. no.)

(Print or type assignee's name, address and zip code)

and irrevocably appoint _____ agent to transfer this Security on the books of the Company. The agent may substitute another to act for him.

Date: _____

Your signature: _____

(Sign exactly as your name appears on the face of this Security)

Signature Guarantee: _____

Member firm of the New York Stock Exchange or commercial bank or trust company having an office in the United States

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[OPTION OF HOLDER TO ELECT PURCHASE]

If you want to elect to have this Security purchased by the Company pursuant to Section _____ of the Indenture,

check the box / /

If you want to elect to have only part of this Security purchased by the Company pursuant to Section _____ of the Indenture, state the amount you elect to have purchased:

\$ _____

Date: _____

Your signature: _____
(Sign exactly as your name appears on the face of this Security)

Signature Guarantee: _____
Member firm of the New York Stock Exchange or commercial bank or trust company having an office in the United States]

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[SCHEDULE OF EXCHANGES FOR DEFINITIVE SECURITIES]

The following exchanges of a part of this Global Security for Definitive Securities have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Security	Amount of increase in Principal Amount of this Global Security	Principal Amount of this Global Security following such decrease (or increase)	Signature of authorized officer of Trustee]
-----	-----	-----	-----	-----

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FORM OF DEBT WARRANT AGREEMENT

SNAP-ON INCORPORATED

and

As Warrant Agent

Warrant Agreement

Dated as of _____, 199_

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THIS WARRANT AGREEMENT, dated as of _____, 19__, between Snap-on Incorporated, a corporation duly organized and existing under the laws of the State of Delaware (the "Company") and _____, a [corporation] [national banking association] organized and existing under the laws of _____, as Warrant Agent (herein called the "Warrant Agent").

WHEREAS, the Company has entered into an Indenture dated as of _____, 1994 (the "Indenture"), with Firststar Trust Company, a Wisconsin state banking association, as trustee (such trustee, and any successors to such trustee, herein called the "Trustee"), providing for the issuance from time to time of its unsecured and unsubordinated notes or other evidences of senior indebtedness, to be issued in one or more series as provided in the Indenture.

WHEREAS, the Company proposes to sell [IF OFFERED DEBT SECURITIES AND WARRANTS -- [title of Debt Securities being offered] (the "Offered Debt Securities") with] warrant certificates (such warrant certificates and other warrant certificates issued pursuant to this Agreement herein called the "Warrant Certificates") evidencing one or more warrants ("Warrants" or, individually, a "Warrant") representing the right to purchase [title of Debt Securities purchasable through exercise of Warrants] (the "Warrant Debt Securities"); and

WHEREAS, the Company desires the Warrant Agent to act on behalf of the Company, and the Warrant Agent is willing to so act, in connection with the issuance, exchange, exercise and replacement of the Warrant Certificates, and in this Agreement wishes to set forth, among other things, the form and provisions of the Warrant Certificates and the terms and conditions on which they may be issued, exchanged, exercised and replaced;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements herein contained, the parties hereto agree as follows:

ARTICLE I

ISSUANCE, EXECUTION AND COUNTERSIGNATURE OF WARRANT CERTIFICATES

Section 1.1 ISSUANCE OF WARRANT CERTIFICATES. [IF WARRANTS ALONE-- Upon issuance, each Warrant Certificate shall evidence one or more Warrants.] [IF OFFERED DEBT SECURITIES AND WARRANTS -- Warrant Certificates shall be [initially] issued in units with the Offered Debt Securities and shall [not] be separately transferable [before _____, 19__ (the "Detachable Date")]. Each such unit shall consist of a Warrant Certificate or Certificates evidencing an aggregate of ____ Warrants for each \$_____ principal amount of Offered Debt Securities.] Each Warrant evidenced thereby shall represent the right, subject to the provisions contained herein and therein, to purchase Warrant Debt Securities in the aggregate principal amount of \$_____.

Section 1.2 FORM OF WARRANT CERTIFICATES. The Warrant Certificates (including the Form[s] of Exercise [and Assignment] to be set forth on the reverse thereof) shall be in substantially the form set forth in Exhibit A hereto, shall be printed, lithographed or engraved on steel engraved borders (or in any other manner determined by the officers executing such Warrant

Certificates) and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any securities exchange on which the Warrant Certificates may be listed or as may, consistently herewith, be determined by the officers executing such Warrant Certificates, as evidenced by their execution of the Warrant Certificates.

Section 1.3 EXECUTION AND AUTHENTICATION OF WARRANT CERTIFICATES. The Warrant Certificates shall be executed on behalf of the Company by its Chairman, its President or one or its Vice Presidents (any reference to a Vice President of the Company herein shall be deemed to include any Vice President of the Company whether or not designated by a number or a word or words added before or after the title "Vice President") under its corporate seal reproduced thereon attested to by its Treasurer or Secretary or one of its Assistant Treasurers or Assistant

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Secretaries. The signature of any of these officers on the Warrant Certificates may be manual or facsimile.

Warrant Certificates evidencing the right to purchase an aggregate principal amount not exceeding \$_____ of Warrant Debt Securities (except as provided in Sections 1.4, 2.3(c), 3.1 and 3.2) may be executed by the Company and delivered to the Warrant Agent upon the execution of this Warrant Agreement or from time to time thereafter. The Warrant Agent shall, upon receipt of Warrant Certificates duly executed on behalf of the Company, authenticate Warrant Certificates evidencing Warrants representing the right to purchase up to \$_____ aggregate principal amount of Warrant Debt Securities and shall deliver such Warrant Certificates to or upon the order of the Company. Subsequent to such original issuance of the Warrant Certificates, the Warrant Agent shall authenticate a Warrant Certificate only if the Warrant Certificate is issued in exchange or substitution for one or more previously authenticated Warrant Certificates [IF REGISTERED WARRANTS -- or in connection with their transfer], as hereinafter provided.

Each Warrant Certificate shall be dated the date of its authentication by the Warrant Agent.

No Warrant Certificate shall be entitled to any benefit under this Agreement or be valid or obligatory for any purpose, and no Warrant evidenced thereby shall be exercisable, until such Warrant Certificate has been authenticated by the manual signature of the Warrant Agent. Such signature by the Warrant Agent upon any Warrant Certificate executed by the Company shall be conclusive evidence, and the only evidence, that the Warrant Certificate so authenticated has been duly issued hereunder.

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

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Section 1.4 TEMPORARY WARRANT CERTIFICATES. Pending the preparation of definitive Warrant Certificates, the Company may execute, and upon the order of the Company the Warrant Agent shall authenticate and deliver, temporary Warrant Certificates which are printed, lithographed, typewritten, mimeographed or otherwise produced substantially of the tenor of the definitive Warrant Certificates in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the officers

executing such Warrant Certificates may determine, as evidenced by their execution of such Warrant Certificates.

If temporary Warrant Certificates are issued, the Company will cause definitive Warrant Certificates to be prepared without unreasonable delay. After the preparation of definitive Warrant Certificates, the temporary Warrant Certificates shall be exchangeable for definitive Warrant Certificates upon surrender of the temporary Warrant Certificates at the corporate trust office of the Warrant Agent [or _____], without charge to the Holder (as defined in Section 1.6 below). Upon surrender for cancellation of any one or more temporary Warrant Certificates the Company shall execute and the Warrant Agent shall authenticate and deliver in exchange therefor definitive Warrant Certificates representing the same aggregate number of Warrants. Until so exchanged, the temporary Warrant Certificates shall in all respects be entitled to the same benefits under this Agreement as definitive Warrant Certificates.

Section 1.5 PAYMENT OF TAXES. The Company will pay all stamp taxes and other duties, if any, to which, under the laws of the United States of America or any State or political subdivision thereof, this Agreement or the original issuance of the Warrant Certificates may be subject.

Section 1.6 DEFINITION OF HOLDER. The term "Holder" as used herein shall mean [IF OFFERED DEBT SECURITIES AND WARRANTS WHICH ARE NOT IMMEDIATELY DETACHABLE --, prior to the Detachable Date, the registered owner of the Offered Debt Security to which such Warrant Certificate was initially attached, and, after such Detachable Date,] [if bearer Warrants, the bearer of such Warrant Certificates] [if registered Warrants, the person in whose name at the time such Warrant Certificate shall

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be registered upon the books to be maintained by the Warrant Agent for that purpose pursuant to Section 3.01]. [IF OFFERED DEBT SECURITIES AND WARRANTS WHICH ARE NOT IMMEDIATELY DETACHABLE -- Prior to the Detachable Date, the Company will, or will cause the registrar of the Offered Debt Securities to, make available to the Warrant Agent current information as to Holders of the Offered Debt Securities.]

ARTICLE II

WARRANT PRICE, DURATION AND EXERCISE OF WARRANTS

Section 2.1 WARRANT PRICE.[2] During the period from _____, 19__ through and including _____, 19__, each Warrant shall entitle the Holder thereof, subject to the provisions of this Agreement, to purchase from the Company the principal amount of Warrant Debt Securities stated in the Warrant Certificate at the exercise price of __% of the principal amount thereof [plus accrued amortization, if any, of the original issue discount of the Warrant Debt Securities] [plus accrued interest, if any, from the most recent date from which interest shall have been paid on the Warrant Debt Securities or, if no interest shall have been paid on the Warrant Debt Securities, from _____, 19__].

[In each case, the original issue discount (\$_____ for each \$1,000 principal amount of Warrant Debt Securities) will be amortized at a ____% annual rate, computed on a[n] [semi-]annual basis [using a 360-day year consisting of twelve 30-day months].] Such exercise price of each Warrant is referred to in this Agreement as the "Exercise Price."

Section 2.2 DURATION OF WARRANTS. Any Warrant evidenced by a Warrant Certificate may be exercised at any time, as specified herein, on or after [the date thereof] [_____, 19__] and at or before the close of business on _____, 19__ (the "Expiration Date"). Each Warrant not exercised at or before the

[2] Complete and modify the provisions of this Section as appropriate to reflect the exact terms of the Warrants and the Warrant Debt Securities.

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close of business on the Expiration Date shall become void, and all rights of the Holder of the Warrant Certificate evidencing such Warrant under this Agreement or otherwise shall cease.

Section 2.3 EXERCISE OF WARRANTS. (a) During the period specified in Section 2.2, any whole number of Warrants may be exercised by surrendering the Warrant Certificate evidencing such Warrants at the place or at the places set forth in the Warrant Certificate, with the purchase form set forth in the Warrant Certificate duly executed, accompanied [by payment in full, in lawful money of the United States of America, [in cash or by certified check or official bank check in New York Clearing House funds]] [by surrender of the [specified aggregate amount of [identified securities]] [by bank wire transfer in immediately available funds], of the Exercise Price for each Warrant exercised. The date on which payment in full of the Exercise Price for a Warrant and the duly executed and completed Warrant Certificate are received by the Warrant Agent shall be deemed to be the date on which such Warrant is exercised. The Warrant Agent shall deposit all funds received by it as payment for the exercise of Warrants to the account of the Company maintained with it for such purpose and shall advise the Company by telephone at the end of each day on which such a payment is received of the amount so deposited to its account. The Warrant Agent shall promptly confirm such telephonic advice to the Company in writing.

(b) The Warrant Agent shall from time to time, as promptly as practicable after the exercise of any Warrants in accordance with the terms and conditions of this Agreement and the Warrant Certificates, advise the Company and the Trustee of (i) the number of Warrants so exercised, (ii) the instructions of each Holder of the Warrant Certificates evidencing such Warrants with respect to delivery of the Warrant Debt Securities to which such Holder is entitled upon such exercise, and instructions of such Holder as to delivery of Warrant Certificates evidencing the balance, if any, of the Warrants remaining after such exercise, and (iii) such other information as the Company or the Trustee shall reasonably require.

(c) As soon as practicable after the exercise of any Warrants, the Company shall issue, pursuant

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to the Indenture, in authorized denominations, to or upon the order of the Holder of the Warrant Certificate evidencing such Warrants, the Warrant Debt Security or Warrant Debt Securities to which such Holder is entitled in fully registered form, registered in such name or names as may be directed by such Holder; and, if fewer than all of the Warrants evidenced by such Warrant Certificate were exercised, the Company shall execute and an authorized officer of the Warrant Agent shall manually authenticate and deliver a new Warrant Certificate evidencing the number of Warrants remaining unexercised.

(d) The Company shall not be required to pay any stamp or other tax or other governmental charge required to be paid in connection with any transfer involved in the issue of the Warrant Debt Securities; and in the event that any such transfer is involved, the Company shall not be required to issue or deliver any Warrant Debt Securities until such tax or other charge shall have been paid or it has been established to the Company's satisfaction that no such tax or other charge is due.

[REGISTRATION,] EXCHANGE, TRANSFER AND
SUBSTITUTION OF WARRANT CERTIFICATES

Section 3.1 [REGISTRATION,] EXCHANGE AND TRANSFER OF WARRANT CERTIFICATES. [IF REGISTERED WARRANTS -- The Warrant Agent shall keep, at its corporate trust office [and at _____], books in which, subject to such reasonable regulations as it may prescribe, it shall register Warrant Certificates and transfers of outstanding Warrant Certificates].

[IF OFFERED DEBT SECURITIES AND WARRANTS WHICH ARE NOT IMMEDIATELY DETACHABLE -- Prior to the Detachable Date, a Warrant Certificate may be exchanged or transferred only together with the Offered Debt Security to which such Warrant Certificate was initially attached, and only for the purpose of effecting, or in conjunction with, an exchange or transfer of such Offered Debt Security. Additionally, on or prior to the Detachable Date, each transfer or exchange of an Offered Debt Security [on the register of the Offered Debt Securities] shall oper-

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ate also to transfer or exchange the Warrant Certificate or Certificates to which such Offered Debt Security was initially attached. After the Detachable Date, upon] [IF OFFERED DEBT SECURITIES AND WARRANTS WHICH ARE IMMEDIATELY DETACHABLE OR IF WARRANTS ALONE -- Upon] surrender at the corporate trust office of the Warrant Agent [or _____] of Warrant Certificates properly endorsed [or accompanied by appropriate instruments of transfer] and accompanied by written instructions for [transfer or] exchange, all in form satisfactory to the Company and the Warrant Agent, such Warrant Certificates may be exchanged for other Warrant Certificates [IF REGISTERED WARRANTS -- or may be transferred in whole or in part]; provided that Warrant Certificates issued in exchange for [or upon transfer of] surrendered Warrant Certificates shall evidence the same aggregate number of Warrants as the Warrant Certificates so surrendered. No service charge shall be made for any exchange [or transfer] of Warrant Certificates, but the Company may require payment of a sum sufficient to cover any stamp or other tax or governmental charge that may be imposed in connection with any such exchange [or transfer]. Whenever any Warrant Certificates are so surrendered for exchange [or transfer], the Company shall execute and an authorized officer of the Warrant Agent shall manually authenticate and deliver to the person or persons entitled thereto a Warrant Certificate or Warrant Certificates as so requested. The Warrant Agent shall not be required to effect any exchange [or transfer] which would result in the issuance of a Warrant Certificate evidencing a fraction of a Warrant or a number of full Warrants and a fraction of a Warrant. All Warrant Certificates issued upon any exchange [or transfer] of Warrant Certificates shall evidence the same obligations, and be entitled to the same benefits under this Agreement, as the Warrant Certificates surrendered for such exchange [or transfer].

Section 3.2 MUTILATED, DESTROYED, LOST OR STOLEN WARRANT CERTIFICATES. If any mutilated Warrant Certificate is surrendered to the Warrant Agent, the Company shall execute and an officer of the Warrant Agent shall manually authenticate and deliver in exchange therefore a new Warrant Certificate of like tenor and principal amount and bearing a number not contemporaneously outstanding. If there shall be delivered to the Company and the Warrant Agent (i) evidence to their satisfaction of the destruction, loss or theft of any

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Warrant Certificate and of the ownership thereof and (ii) such security or indemnity as may be required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Company or the Warrant Agent that such Warrant Certificate has been acquired by a bona fide purchaser, the Company shall execute and upon its request an officer of the Warrant Agent shall manually authenticate and deliver, in lieu of any such

destroyed, lost or stolen Warrant Certificate, a new Warrant Certificate of like tenor and principal amount and bearing a number not contemporaneously outstanding. Upon the issuance of any new Warrant Certificate under this Section, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Warrant Agent) connected therewith. Every new Warrant Certificate issued pursuant to this Section in lieu of any destroyed, lost or stolen Warrant Certificate shall evidence an original additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Warrant Certificate shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Agreement equally and proportionately with any and all other Warrant Certificates duly issued hereunder. The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Warrant Certificates.

Section 3.3 PERSONS DEEMED OWNERS. [If Offered DEBT SECURITIES AND WARRANTS WHICH ARE NOT IMMEDIATELY DETACHABLE -- Prior to the Detachable Date, the Company, the Warrant Agent and all other persons may treat the registered owner of any Offered Debt Security as the owner of the Warrant Certificates initially attached thereto for any purpose and as the person entitled to exercise the rights represented by the Warrants evidenced by such Warrant Certificates, any notice to the contrary notwithstanding. After the Detachable Date,] [IF REGISTERED WARRANTS -- and prior to due presentment of a Warrant Certificate for registration of transfer, the] [IF OFFERED DEBT SECURITIES AND WARRANTS WHICH ARE IMMEDIATELY DETACHABLE OR WARRANTS ALONE -- The] Company, the Warrant Agent and all other persons may treat the Holder as the owner thereof for any purpose and as the person

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entitled to exercise the rights represented by the Warrants evidenced thereby, any notice to the contrary notwithstanding.

Section 3.4 CANCELLATION OF WARRANT CERTIFICATES. Any Warrant Certificate surrendered for exchange [, transfer] or exercise of the Warrants evidenced thereby shall, if surrendered to the Company, be delivered to the Warrant Agent, and [IF WARRANT CERTIFICATES ARE ISSUED IN BEARER FORM -- , except as provided below,] all Warrant Certificates surrendered or so delivered to the Warrant Agent shall be promptly cancelled by it and shall not be reissued and, except as expressly permitted by this Agreement, no Warrant Certificate shall be issued hereunder in lieu or in exchange thereof. [IF WARRANT CERTIFICATES ARE ISSUED IN BEARER FORM -- Warrant Certificates delivered to the Warrant Agent in exchange for Warrant Certificates of other denominations may be retained by the Warrant Agent for reissue as authorized hereunder.] The Company may at any time deliver to the Warrant Agent for cancellation any Warrant Certificates previously issued hereunder which the Company may have acquired in any manner whatsoever, and all Warrant Certificates so delivered shall be promptly cancelled by the Warrant Agent. All cancelled Warrant Certificates held by the Warrant Agent shall be disposed of, as instructed by the Company, subject to applicable law.

ARTICLE IV

OTHER PROVISIONS RELATING TO RIGHTS OF HOLDERS OF WARRANT CERTIFICATES

Section 4.1 NO RIGHTS AS HOLDERS OF WARRANT DEBT SECURITIES CONFERRED BY WARRANTS OR WARRANT CERTIFICATES. No Warrant Certificate or Warrant evidenced thereby shall entitle the Holder thereof to any of the rights of a Holder of the Warrant Debt Securities, including, without limitation, the right to receive the payment of principal of (or premium, if any) or interest, if any, on the Warrant Debt Securities or to enforce any of the covenants in the Indenture.

Section 4.2 HOLDER OF WARRANT CERTIFICATE MAY ENFORCE RIGHTS. Notwithstanding any of the provisions of this Agreement, any Holder of any

without the consent of the Warrant Agent, the Trustee, the holder of any Warrant Debt Securities or the Holder of any other Warrant Certificate, may, on its own behalf and for its own benefit, enforce, and may institute and maintain any suit, action or proceeding against the Company suitable to enforce or otherwise in respect of, its right to exercise the Warrant or Warrants evidenced by his Warrant Certificate in the manner provided in the Warrant Certificates and in this Agreement.

ARTICLE V

CONCERNING THE WARRANT AGENT

Section 5.1 WARRANT AGENT. The Company hereby appoints _____ as Warrant Agent of the Company in respect of the Warrants and the Warrant Certificates upon the terms and subject to the conditions herein set forth, and _____ hereby accepts such appointment. The Warrant Agent shall have the power and authority granted to and conferred upon it in the Warrant Certificates and hereby and such further power and authority to act on behalf of the Company as the Company may hereafter grant to or confer upon it. All of the terms and provisions with respect to such power and authority contained in the Warrant Certificates are subject to and governed by the terms and provisions hereof.

Section 5.2 CONDITIONS OF WARRANT AGENT'S OBLIGATIONS. The Warrant Agent accepts its obligations herein set forth, upon the terms and conditions hereof, including the following, to all of which the Company agrees and to all of which the rights hereunder of the Holders from time to time of the Warrant Certificates shall be subject:

(a) COMPENSATION AND INDEMNIFICATION. The Company agrees promptly to pay the Warrant Agent the compensation to be agreed upon with the Company for all services rendered by the Warrant Agent and to reimburse the Warrant Agent for reasonable out-of-pocket expenses (including counsel fees) incurred by the Warrant Agent in connection with the services rendered hereunder by the Warrant Agent. The Company also agrees to indemnify the Warrant Agent for, and to hold it harmless against, any

loss, liability or expense incurred without negligence or bad faith on the part of the Warrant Agent, arising out of or in connection with its acting as such Warrant Agent hereunder, including the reasonable costs and expenses of defending itself against any claim or liability in connection with the exercise or performance at any time of its powers or duties hereunder. The obligations of the Company under this subsection (a) shall survive the exercise of the Warrant Certificates and the resignation or removal of the Warrant Agent.

(b) AGENT FOR THE COMPANY. In acting under this Warrant Agreement and in connection with the Warrant Certificates, the Warrant Agent is acting solely as agent of the Company and does not assume any obligation or relationship of agency or trust for or with any of the owners or Holders of the Warrant Certificates.

(c) COUNSEL. The Warrant Agent may consult with counsel, which may include counsel for the Company, and the written advice of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(d) DOCUMENTS. The Warrant Agent shall be protected and shall incur no liability for or in respect of any action taken or omitted by it in

reliance upon any notice, direction, consent, certificate, affidavit, statement or other paper or document reasonably believed by it to be genuine and to have been presented or signed by the proper parties.

(e) CERTAIN TRANSACTIONS. The Warrant Agent, any of its officers, directors and employees, or any other agent of the Company, in its individual or any other capacity, may become the owner of, or acquire any interest in, any Warrant Certificates, with the same rights that it would have if it were not such Warrant Agent, officer, director, employee or other agent, and, to the extent permitted by applicable law, it may engage or be interested in any financial or other transaction with the Company and may act on, or as depositary, trustee or agent for, any committee or body of holders of Warrant Debt Securities or other obligations of the Company as freely as if it were not such Warrant Agent, officer, director, employee or other agent. Nothing in

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this Warrant Agreement shall be deemed to prevent the Warrant Agent from acting as Trustee under the Indenture.

(f) NO LIABILITY FOR INTEREST. The Warrant Agent shall not be under any liability for interest on any monies at any time received by it pursuant to any of the provisions of this Agreement or of the Warrant Certificates unless otherwise agreed to in writing by the Company and the Warrant Agent and except for the negligence of the Warrant Agent.

(g) NO LIABILITY FOR INVALIDITY. The Warrant Agent shall not incur any liability with respect to the validity of this Agreement or any of the Warrant Certificates.

(h) NO RESPONSIBILITY FOR REPRESENTATIONS. The Warrant Agent shall not be responsible for any of the recitals or representations contained herein or in the Warrant Certificates (except as to the Warrant Agent's Certificate of Authentication thereon), all of which are made solely by the Company.

(i) NO IMPLIED OBLIGATIONS. The Warrant Agent shall be obligated to perform such duties as are herein and in the Warrant Certificates specifically set forth and no implied duties or obligations shall be read into this Agreement or the Warrant Certificates against the Warrant Agent. The Warrant Agent shall not be under any obligation to take any action hereunder which may tend to involve it in any expense or liability, the payment of which within a reasonable time is not, in its reasonable opinion, assured to it. The Warrant Agent shall not be accountable or under any duty or responsibility for the use by the Company of any of the Warrant Certificates authenticated by the Warrant Agent and delivered by it to the Company pursuant to this Agreement or for the application by the Company of the proceeds of the Warrant Certificates or any exercise of the Warrants evidenced thereby. The Warrant Agent shall have no duty or responsibility in case of any default by the Company in the performance of its covenants or agreements contained herein or in the Warrant Certificates or in the Warrant Debt Securities or in the case of the receipt of any written demand from a Holder of a Warrant Certificate with respect to such default, including, without limiting the generality of the foregoing, any duty or responsibility-

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ity to initiate or attempt to initiate any proceeding at law or otherwise or, except as provided in Section 6.4 hereof, to make any demand upon the Company.

Section 5.3 RESIGNATION, REMOVAL AND APPOINTMENT OF SUCCESSOR. (a) The Company agrees, for the benefit of the Holders from time to time of the Warrant Certificates, that there shall at all times be a Warrant Agent hereunder until all of the Warrant Certificates are no longer exercisable.

(b) The Warrant Agent may at any time resign as such agent by

giving written notice to the Company of such intention on its part, specifying the date on which it desires its resignation to become effective; provided that, without the consent of the Company, such date shall not be less than [three months] after the date on which such notice is given. The Warrant Agent hereunder may be removed at any time by the filing with it of an instrument in writing signed by or on behalf of the Company and specifying such removal and the date on which the Company expects such removal to become effective. Such resignation or removal shall take effect upon the appointment by the Company of a successor Warrant Agent (which shall be a bank or trust company organized and doing business under the laws of the United States of America, any State thereof or the District of Columbia and authorized under such laws to exercise corporate trust powers) by an instrument in writing filed with such successor Warrant Agent and the acceptance of such appointment by such successor Warrant Agent pursuant to Section 5.3(d).

(c) In case at any time the Warrant Agent shall resign, or be removed, or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or shall file a voluntary petition in bankruptcy or make an assignment for the benefit of its creditors or consent to the appointment of a receiver or custodian of all or any substantial part of its property, or shall admit in writing its inability to pay or meet its debts as they mature, or if a receiver or custodian of it or of all or any substantial part of its property shall be appointed, or if an order of any court shall be entered approving any petition filed by or against it under the provisions of any applicable bankruptcy or similar law, or if any public officer shall have taken charge or control of the

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Warrant Agent or of its property or affairs, a successor Warrant Agent, qualified as aforesaid, shall be appointed by the Company by an instrument in writing, filed with the successor Warrant Agent. Upon the appointment as aforesaid of a successor Warrant Agent and acceptance by the latter of such appointment, the Warrant Agent so superseded shall cease to be Warrant Agent hereunder.

(d) Any successor Warrant Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the Company an instrument accepting such appointment hereunder, and thereupon such successor Warrant Agent, without any further act, deed or conveyance, shall become vested with all the authority, rights, powers, trusts, immunities, duties and obligations of such predecessor with like effect as if originally named as Warrant Agent hereunder, and such predecessor, upon payment of its charges and disbursements then unpaid, shall thereupon become obligated to transfer, deliver and pay over, and such successor Warrant Agent shall be entitled to receive, all monies, securities and other property on deposit with or held by such predecessor, as Warrant Agent hereunder.

(e) Any corporation into which the Warrant Agent hereunder may be merged or converted or any corporation with which the Warrant Agent may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Warrant Agent shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Warrant Agent, provided that it shall be qualified as aforesaid, shall be the successor Warrant Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto.

ARTICLE VI

MISCELLANEOUS

Section 6.1 CONSOLIDATIONS AND MERGERS OF THE COMPANY AND SALES, LEASES AND CONVEYANCES PERMITTED SUBJECT TO CERTAIN CONDITIONS. To the extent permitted in the Indenture, the Company may consolidate with, or sell

or convey all or substantially all of its assets to, or merge with or into any other corporation.

Section 6.2 RIGHTS AND DUTIES OF SUCCESSOR CORPORATION. In case of any such consolidation, merger, sale, lease or conveyance and upon any such assumption by the successor corporation, such successor corporation shall succeed to and be substituted for the Company, with the same effect as if it had been named herein, and the predecessor corporation, except in the event of a lease, shall be relieved of any further obligation under this Agreement and the Warrants. Such successor corporation thereupon may cause to be signed, and may issue either in its own name or in the name of the Company, any or all of the Warrant Debt Securities issuable pursuant to the terms hereof. All the Warrant Debt Securities so issued shall in all respects have the same legal rank and benefit under the Indenture as the Warrant Debt Securities theretofore or thereafter issued in accordance with the terms of this Agreement and the Indenture.

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

Section 6.3 AMENDMENT. This Agreement may be amended by the parties hereto, without the consent of the Holder of any Warrant Certificate, for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained herein, or making such provisions in regard to matters or questions arising under this Agreement as the Company may deem necessary or desirable; provided that such action shall not adversely affect the interests of the Holders of the Warrant Certificates in any material respect. The Warrant Agent may, but shall not be obligated to, enter into any amendment to this Agreement which affects the Warrant Agent's own rights, duties or immunities under this Agreement or otherwise.

Section 6.4 NOTICE AND DEMANDS TO THE COMPANY AND WARRANT AGENT. If the Warrant Agent shall receive any notice or demand addressed to the Company by the Holder of a Warrant Certificate pursuant to the provisions of

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the Warrant Certificates, the Warrant Agent shall promptly forward such notice or demand to the Company.

Section 6.5 ADDRESSES. Any communications from the Company to the Warrant Agent with respect to this Agreement shall be addressed to _____, Attention: _____, and any communications from the Warrant Agent to the Company with respect to this Agreement shall be addressed to Snap-on Incorporated, 2801 80th Street, Kenosha, Wisconsin 53141-1410, Attention: Corporate Secretary (or such other address as shall be specified in writing by the Warrant Agent or by the Company).

Section 6.6 GOVERNING LAW. This Agreement and each Warrant Certificate issued hereunder shall be governed by and construed in accordance with the laws of the State of New York.

Section 6.7 DELIVERY OF PROSPECTUS. The Company will furnish to the Warrant Agent sufficient copies of a prospectus, appropriately supplemented, relating to the Warrant Debt Securities (the "Prospectus"), and the Warrant Agent agrees that, upon the exercise of any Warrant Certificate, the Warrant Agent will deliver to the person designated to receive Warrant Debt Securities, prior to or concurrently with the delivery of such Securities, a Prospectus.

Section 6.8 OBTAINING OF GOVERNMENTAL APPROVALS. The Company will from time to time take all action which may be necessary to obtain and keep effective any and all permits, consents and approvals of governmental agencies and authorities and securities acts filings under United States Federal and State laws (including, without limitation, the maintenance of the effectiveness of a registration statement in respect of the Warrant Debt Securities under the

Securities Act to 1933), which may be or become required in connection with exercise of the Warrant Certificates and the original issuance and delivery of the Warrant Debt Securities.

Section 6.9 PERSONS HAVING RIGHTS UNDER WARRANT AGREEMENT. Nothing in this Agreement expressed or implied and nothing that may be inferred from any of the provisions hereof is intended, or shall be construed, to confer upon, or give to, any person or corporation other

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than the Company, the Warrant Agent and the Holders of the Warrant Certificates any right, remedy or claim under or by reason of this Agreement or of any covenant, condition, stipulation, promise or agreement hereof; and all covenants, conditions, stipulations, promises and agreements in this Agreement contained shall be for the sole and exclusive benefit of the Company and the Warrant Agent and their successors and of the Holders of the Warrant Certificates.

Section 6.10 HEADINGS. The Article and Section headings herein and the Table of Contents are for convenience of reference only and shall not affect the construction hereof.

Section 6.11 COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original; but such counterparts shall together constitute but one and the same instrument.

Section 6.12 INSPECTION OF AGREEMENT. A copy of this Agreement shall be available at all reasonable times at the principal corporate trust office of the Warrant Agent [and at _____] for inspection by the Holder of any Warrant Certificate. The Warrant Agent may require such Holder to submit its Warrant Certificate for inspection by it.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, and their respective corporate seal to be hereunto affixed and attested, all as of the day and year first above written.

SNAP-ON INCORPORATED

By _____

[SEAL]

Attest:

[NAME OF WARRANT AGENT]

By _____

[SEAL]

Attest:

[Assistant Secretary]

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EXHIBIT A

[FORM OF WARRANT CERTIFICATE]
[Face]

FORM OF LEGEND IF OFFERED DEBT
SECURITIES WITH WARRANTS WHICH
ARE NOT IMMEDIATELY DETACHABLE:

[Prior to _____, this Warrant
Certificate may transferred or exchanged if
and only if the [Title of Offered Debt
Security] to which it was initially attached
is so transferred or exchanged.]

FORM OF LEGEND IF WARRANTS ARE
NOT IMMEDIATELY EXERCISABLE:

[Prior to _____, Warrants evidenced by
this Warrant Certificate cannot be
exercised.]

EXERCISABLE ONLY IF AUTHENTICATED BY THE WARRANT
AGENT AS PROVIDED HEREIN

VOID AFTER THE CLOSE OF BUSINESS ON _____, 19__

SNAP-ON INCORPORATED

Warrant Certificate representing
Warrants to purchase
[Title of Warrant Debt Securities]
as described herein

No. _____ Warrants

This certifies that [the bearer is the] [_____ or
registered assigns is the registered] owner of the above indicated number of
Warrants, each Warrant entitling such [bearer [IF OFFERED DEBT SECURITIES AND
WARRANTS WHICH ARE NOT IMMEDIATELY DETACHABLE --, subject to the bearer
qualifying as a "Holder" of this Warrant Certificate, as hereinafter defined]
[registered owner] to purchase, at any time [after the close of business on
_____, 19__, and] on or before the close of business on _____, 19__,

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\$_____ principal amount of [Title of Warrant Debt Securities] (the "Warrant
Debt Securities") of Snap-on Incorporated (the "Company"), issued or to be
issued under the Indenture (as hereinafter defined), on the following basis.*
[During the period from _____, 19__ through and including _____ 19__, each
Warrant shall entitle the Holder thereof, subject to the provisions of this
Agreement, to purchase from the Company the principal amount of Warrant Debt
Securities stated above in this Warrant Certificate at the exercise price of
___% of the principal amount thereof [plus accrued amortization, if any, of the
original issue discount of the Warrant Debt Securities] [plus accrued interest,
if any, from the most recent date from which interest shall have been paid on
the Warrant Debt Securities or, if no interest shall have been paid on the
Warrant Debt Securities, from _____, 19__]; [in each case, the original
issue discount (\$_____ for each \$1,000 principal amount of Warrant Debt
Securities) will be amortized at a ___% annual rate, computed on a[n]
[semi-]annual basis[, using a 360-day year consisting of twelve 30-day months]
[(the "Exercise Price")]. The Holder of this Warrant Certificate may exercise
the Warrants evidenced hereby, in whole or in part, by surrendering this Warrant
Certificate, with the purchase form set forth hereon duly completed, accompanied

[by payment in full, in lawful money of the United States of America, [in cash or by certified check or official bank check in New York Clearing House funds] [by bank wire transfer in immediately available funds]] [by surrender of the [specified aggregate principal amount of [identified securities]], the Exercise Price for each Warrant exercised, to the Warrant Agent (as hereinafter defined), at the corporate trust office of [name of Warrant Agent], or its successor as warrant agent (the "Warrant Agent") [or at _____,] at the addresses specified on the reverse hereof and upon compliance with and subject to the conditions set forth herein and in the Warrant Agreement (as hereinafter defined). This Warrant Certificate may be exercised only for the purchase of Warrant Debt Securities in the principal amount of [\$1,000] or any integral multiple thereof.

- -----

* Complete and modify the following provisions as appropriate to reflect the terms of the Warrants and the Warrant Debt Securities.

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The term "Holder" as used herein shall mean [IF OFFERED DEBT SECURITIES AND WARRANTS WHICH ARE NOT IMMEDIATELY DETACHABLE -- , prior to _____, 19__ (the "Detachable Date"), the registered owner of the Company's [title of Offered Debt Securities] to which such Warrant Certificate was initially attached, and after such Detachable Date,] [the bearer of such Warrant Certificate] [the person in whose name at the time such Warrant Certificate shall be registered upon the books to be maintained by the Warrant Agent for that purpose pursuant to Section 3.01 of the Warrant Agreement].

Any whole number of Warrants evidenced by this Warrant Certificate may be exercised to purchase Warrant Debt Securities in registered form. Upon any exercise of fewer than all of the Warrants evidenced by this Warrant Certificate, there shall be issued to the [bearer] [registered owner] hereof a new Warrant Certificate evidencing the number of Warrants remaining unexercised.

This Warrant Certificate is issued under and in accordance with the Warrant Agreement dated as of _____, 19__ (the "Warrant Agreement"), between the Company and the Warrant Agent and is subject to the terms and provisions contained in the Warrant Agreement, to all of which terms and provisions the Holder of this Warrant Certificate consents by acceptance hereof. Copies of the Warrant Agreement are on file at the above-mentioned office at the Warrant Agent [and at _____].

The Warrant Debt Securities to be issued and delivered upon the exercise of warrants evidenced by this Warrant Certificate will be issued under and in accordance with an Indenture, dated as of _____ (the "Indenture"), between the Company and Firststar Trust Company, a Wisconsin state banking association, as trustee (such trustee, and any successors to such trustee, the "Trustee") and will be subject to the terms and provisions contained in the Warrant Debt Securities and in the Indenture. Copies of the Indenture, including the form of the Warrant Debt Securities, are on file at the corporate trust office of the Trustee [and at _____].

[IF OFFERED DEBT SECURITIES AND WARRANTS WHICH ARE NOT IMMEDIATELY DETACHABLE -- Prior to _____, 19__ (the "Detachable Date"), this Warrant Certificate

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may be exchanged or transferred only together with the [title of Offered Debt Security] (the "Offered Debt Security") to which this Warrant Certificate was initially attached, and only for the purpose of effecting, or in conjunction with, an exchange or transfer of such Offered Debt Security. Additionally, on or prior to the Detachable Date each transfer of such Offered Debt Security on the register of the Offered Debt Securities shall operate also to transfer this

Warrant Certificate. After the Detachable Date, this] [IF OFFERED DEBT SECURITIES AND WARRANTS WHICH ARE IMMEDIATELY DETACHABLE OR WARRANTS ALONE -- This] Warrant Certificate, and all rights hereunder, may be transferred [IF BEARER WARRANTS -- by delivery and the Company and the Warrant Agent may treat the bearer hereof as the owner for all purposes] [IF REGISTERED WARRANTS -- when surrendered at the corporate trust office of the Warrant Agent [or _____] by the registered owner or his assigns, in person or by an attorney duly authorized in writing, in the manner and subject to the limitations provided in the Warrant Agreement].

[IF OFFERED DEBT SECURITIES AND WARRANTS WHICH ARE NOT IMMEDIATELY DETACHABLE -- Except as provided in the immediately preceding paragraph, after] [IF OFFERED DEBT SECURITIES AND WARRANTS WHICH ARE IMMEDIATELY DETACHABLE OR WARRANTS ALONE -- After] authentication by the Warrant Agent and prior to the expiration of this Warrant Certificate, this Warrant Certificate may be exchanged at the corporate trust office at the Warrant Agent [or at _____] for Warrant Certificates representing the same aggregate number of Warrants.

This Warrant Certificate shall not entitle the [bearer] [registered owner] hereof to any of the rights of a [registered] [holder] of the Warrant Debt Securities, including, without limitation, the right to receive payments of principal (and premium, if any) or interest, if any, on the Warrant Debt Securities or to enforce any of the covenants of the Indenture.

Reference is hereby made to the further provisions of this Warrant Certificate set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as it set forth at this place.

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This Warrant Certificate shall not be valid or obligatory for any purpose until authenticated by the Warrant Agent.

IN WITNESS WHEREOF, the Company has caused this Warrant Certificate to be duly executed under its corporate seal.

Dated:_____

SNAP-ON INCORPORATED

By: _____

Attest:

- _____
Certificate of Authentication

This is one of the Warrant Certificates referred to in the within-mentioned Warrant Agreement.

- _____
As Warrant Agent

By: _____
Authorized Signature

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[FORM OF WARRANT CERTIFICATE]
[REVERSE]
(Instructions for Exercise of Warrants)

To exercise any Warrants evidenced hereby, the Holder of this Warrant Certificate must pay [in cash or by certified check or official bank check in New York Clearing House funds or by bank wire transfer in immediately available funds], the Exercise Price in full for each of the Warrants exercised, to _____, Corporate Trust Department, _____, Attn: _____ [or _____], which payment should specify the name of the Holder of this Warrant Certificate and the number of Warrants exercised by such Holder. In addition, the Holder of this Warrant Certificate should complete the information required below and present in person or mail by registered mail this Warrant Certificate to the Warrant Agent at the addresses set forth below.

[FORM OF EXERCISE]

(To be executed upon exercise of Warrants.)

The undersigned hereby irrevocable elects to exercise ____ Warrants, represented by this Warrant Certificate, to purchase \$_____ principal amount of the [Title of Warrant Debt Securities] (the "Warrant Debt Securities") of Snap-on Incorporated and represents that he has tendered payment for such Warrant Debt Securities [in cash or by certified check or official bank check in New York Clearing House funds or by bank wire transfer in immediately available funds] to the order of Snap-on Incorporated, c/o Treasurer in the amount of \$_____ in accordance with the terms hereof. The undersigned requests that said principal amount of Warrant Debt Securities be in fully registered form, in the authorized denominations, registered in such names and delivered, all as specified in accordance with the instructions set forth below.

If said principal amount of Warrant Debt Securities is less than all of the Warrant Debt Securities purchasable hereunder, the undersigned requests that a new Warrant Certificate representing the remaining balance of the Warrants evidenced hereby be issued and

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delivered to the undersigned unless otherwise specified in the instructions below.

Dated:

Name _____

(Insert Social Security or Other
Identifying Number of Holder)

Address _____

Signature _____

[If registered warrant -- (Signature must conform in all respects to name of holder as specified on the face of the Warrant Certificate and must bear a signature guarantee by a bank, trust company or member broker of the New York, Chicago or Pacific Stock Exchange.)]

This Warrant may be exercised at the following addresses:

By hand at

By mail at

(Instructions as to form and delivery of Warrant Debt Securities and/or Warrant Certificates):

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[FORM OF ASSIGNMENT]

(TO BE EXECUTED TO TRANSFER
THE WARRANT CERTIFICATE)

FOR VALUE RECEIVED _____ hereby sells, assigns and
transfers unto

Please insert social security or other
identifying number

- -----
(Please print name and
address including zip code)

- -----
the right represented by the within Warrant Certificate and does hereby
irrevocably constitute and appoint _____, Attorney, to transfer said
Warrant Certificate on the books of the Warrant Agent with full power of
substitution.

Dated:

- -----
Signature

(Signature must conform in all respects
to name of holder as specified on the
face of this Warrant Certificate and
must bear a signature guarantee by a
bank, trust company or member broker of
the New York, Chicago or Pacific Stock
Exchange)

Signature Guaranteed:

- -----]

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FORM OF PREFERRED WARRANT AGREEMENT

SNAP-ON INCORPORATED

and

As Warrant Agent

WARRANT AGREEMENT

Dated as of _____, 199__

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THIS WARRANT AGREEMENT, dated as of _____, 199__, between Snap-on Incorporated, a corporation duly organized and existing under the laws of the State of Delaware (the "Company") and _____, a [corporation] [national banking association] organized and existing under the laws of _____, as Warrant Agent (herein called the "Warrant Agent").

WHEREAS, the Company proposes to sell [IF OFFERED SECURITIES AND WARRANTS - [title of Offered Securities being offered] (the "Offered Securities") with] warrant certificates (such warrant certificates and other warrant certificates issued pursuant to this Agreement herein called the "Warrant Certificates") evidencing one or more warrants (the "Warrants" or, individually, a "Warrant") representing the right to purchase shares of [designation of Preferred Stock] (the "Preferred Stock"); and

WHEREAS, the Company desires the Warrant Agent to act on behalf of the Company, and the Warrant Agent is willing to so act, in connection with the issuance, exchange, exercise and replacement of the Warrant Certificates, and in this Agreement wishes to set forth, among other things, the form and provisions of the Warrant Certificates and the terms and conditions on which they may be issued, exchanged, exercised and replaced;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements herein contained, the parties hereto agree as follows:

ARTICLE I

ISSUANCE, EXECUTION AND AUTHENTICATION OF WARRANT CERTIFICATES

Section 1.1 ISSUANCE OF WARRANT CERTIFICATES. [IF WARRANTS ALONE -- Upon issuance, each Warrant Certificate shall evidence one or more Warrants.] [IF OFFERED SECURITIES AND WARRANTS -- Warrant Certificates shall be [initially] issued in units with the Offered Securities and shall [not] be separately transferrable [before _____, 19__ (the "Detachable Date")].

Each such unit shall consist of a Warrant Certificate or Certificates evidencing an aggregate of _____ Warrants.] Each Warrant evidenced thereby shall represent the right,

subject to the provisions contained herein and therein, to purchase one share of Preferred Stock.

Section 1.2 FORM OF WARRANT CERTIFICATE. The Warrant Certificates (including the Form(s) of Exercise [and Assignment] to be set forth on the reverse thereof) shall be in substantially the form set forth in Exhibit A hereto, shall be printed, lithographed or engraved on steel engraved borders (or in any other manner determined by the officers executing such Warrant Certificates) and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any securities exchange on which the Warrant Certificates may be listed or as may, consistently herewith, be determined by the officers executing such Warrant Certificates, as evidenced by their execution of the Warrant Certificates.

Section 1.3 EXECUTION AND AUTHENTICATION OF WARRANT CERTIFICATES. The Warrant Certificates shall be executed on behalf of the Company by its Chairman, its President or one of its Vice Presidents (any reference to a Vice President of the Company herein shall be deemed to include any Vice President of the Company whether or not designated by a number or a word or words added before or after the title "Vice President"), under its corporate seal reproduced thereon attested to by its Treasurer or Secretary or one of its Assistant Treasurers or Assistant Secretaries. The signature of any of these officers on the Warrant Certificates may be manual or facsimile.

Warrant Certificates evidencing the right to purchase a number of shares of Preferred Stock having an aggregate value not exceeding \$ _____ (except as provided in Sections 1.4, 2.3(c), 4.1 and 4.2) may be executed by the Company and delivered to the Warrant Agent upon the execution of this Warrant Agreement or from time to time thereafter. The Warrant Agent shall, upon receipt of Warrant Certificates duly executed on behalf of the Company, authenticate Warrant Certificates evidencing Warrants representing the right to purchase a number of shares of Preferred Stock having an aggregate value not exceeding \$ _____ and shall deliver such Warrant Certificates to or upon the order of the Company. Subsequent to such original issuance of the Warrant

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Certificates, the Warrant Agent shall authenticate a Warrant Certificate only if the Warrant Certificate is issued in exchange or substitution for one or more previously authenticated Warrant Certificates or in connection with their transfer, as hereinafter provided.

Each Warrant Certificate shall be dated the date of its authentication by the Warrant Agent.

No Warrant Certificate shall be entitled to any benefit under this Agreement or be valid or obligatory for any purpose, and no Warrant evidenced thereby shall be exercisable, until such Warrant Certificate has been authenticated by the manual signature of the Warrant Agent. Such signature by the Warrant Agent upon any Warrant Certificate executed by the Company shall be conclusive evidence, and the only evidence, that the Warrant Certificate so authenticated has been duly issued hereunder.

Warrant Certificates bearing the manual or facsimile signatures of individuals who were at the time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Warrant

Certificates or did not hold such offices at the date of such Warrant Certificates.

Section 1.4 TEMPORARY WARRANT CERTIFICATES. Pending the preparation of definitive Warrant Certificates, the Company may execute, and upon the order of the Company the Warrant Agent shall authenticate and deliver, temporary Warrant Certificates which are printed, lithographed, typewritten, mimeographed or otherwise produced substantially of the tenor of the definitive Warrant Certificates in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Warrant Certificates may determine, as evidenced by their execution of such Warrant Certificates.

If temporary Warrant Certificates are issued, the Company will cause definitive Warrant Certificates to be prepared without unreasonable delay. After the preparation of definitive Warrant Certificates, the temporary Warrant Certificates shall be exchangeable for definitive

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Warrant Certificates upon surrender of the temporary Warrant Certificates at the corporate trust office of the Warrant Agent [or _____], without charge to the Holder (as defined in Section 1.6 below). Upon surrender for cancellation of any one or more temporary Warrant Certificates the Company shall execute and the Warrant Agent shall authenticate and deliver in exchange therefor definitive Warrant Certificates representing the same aggregate number of Warrants. Until so exchanged, the temporary Warrant Certificates shall in all respects be entitled to the same benefits under this Agreement as definitive Warrant Certificates.

Section 1.5 PAYMENT OF TAXES. The Company will pay all stamp taxes and other duties, if any, to which, under the laws of the United States of America or any State or political subdivision thereof, this Agreement or the original issuance of the Warrant Certificates may be subject.

Section 1.6 DEFINITION OF HOLDER. The term "Holder" as used herein shall mean [IF OFFERED SECURITIES AND WARRANTS WHICH ARE NOT IMMEDIATELY DETACHABLE -- prior to the Detachable Date, the registered owner of the Offered Security to which such Warrant Certificate was initially attached, and, after such Detachable Date,] the person in whose name at the time such Warrant Certificate shall be registered upon the books to be maintained by the Warrant Agent for that purpose pursuant to Section 4.1. [IF OFFERED SECURITIES AND WARRANTS WHICH ARE NOT IMMEDIATELY DETACHABLE -- Prior to the Detachable Date, the Company will, or will cause the registrar of the Offered Securities to, make available to the Warrant Agent current information as to Holders of the Offered Securities.]

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ARTICLE II

WARRANT PRICE, DURATION AND EXERCISE OF WARRANTS

Section 2.1 WARRANT PRICE.(2) During the period from _____, 19__ through and including _____, 19__, each Warrant shall entitle the Holder thereof, subject to the provisions of this Agreement, to purchase from the Company one share of Preferred Stock at the exercise price of \$_____. During the period from _____, 19__ through and including _____, 19__, each Warrant shall entitle the Holder thereof, subject to the provisions of this Agreement, to purchase from the Company one share of Preferred Stock at the exercise price of \$_____. Such exercise price of each Warrant is referred to in this Agreement as the "Exercise Price."

Section 2.2 DURATION OF WARRANTS. Any Warrant evidenced by a Warrant Certificate may be exercised at any time, as specified herein, on or after [the date thereof] [_____, 19__] and at or before the close of business on _____, 19__ (the "Expiration Date"). Each Warrant not exercised at or before the close of business on the Expiration Date shall become void, and all rights of the Holder of the Warrant Certificate evidencing such Warrant under this Agreement or otherwise shall cease.

Section 2.3 EXERCISE OF WARRANTS. (a) During the period specified in Section 2.2, any whole number of Warrants may be exercised by surrendering the Warrant Certificate evidencing such Warrants at the place or at the places set forth in the Warrant Certificate, with the purchase form set forth in the Warrant Certificate duly executed, accompanied by payment in full, in lawful money of the United States of America, [in cash or by certified check or official bank check in New York Clearing House funds] [by bank wire transfer in immediately available funds], of the Exercise Price for each Warrant exercised. The date on which payment in full of the Exercise Price for a Warrant and the duly executed and completed Warrant Certificate are received by the Warrant Agent shall be

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- (2) Complete and modify the provisions of this Section as appropriate to reflect the exact terms of the Warrants.

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deemed to be the date on which such Warrant is exercised. The Warrant Agent shall deposit all funds received by it as payment for the exercise of Warrants to the account of the Company maintained with it for such purpose and shall advise the Company by telephone at the end of each day on which such a payment is received of the amount so deposited to its account. The Warrant Agent shall promptly confirm such telephonic advice to the Company in writing.

(b) The Warrant Agent shall from time to time, as promptly as practicable after the exercise of any Warrants in accordance with the terms and conditions of this Agreement and the Warrant Certificates, advise the Company of (i) the number of Warrants so exercised, (ii) the instructions of each Holder of the Warrant Certificates evidencing such Warrants with respect to delivery of the certificate or certificates representing shares of Preferred Stock to which such Holder is entitled upon such exercise, and instructions of such Holder as to delivery of Warrant Certificates evidencing the balance, if any, of the Warrants remaining after such exercise, and (iii) such other information as the Company shall reasonably require.

(c) As soon as practicable after the exercise of any Warrants, the Company shall issue, to or upon the order of the Holder of the Warrant Certificate evidencing such Warrants, a certificate or certificates representing the number of shares of Preferred Stock to which such Holder is entitled in such name or names as may be directed by such Holder; and, if fewer than all of the Warrants evidenced by such Warrant Certificate were exercised, the Company shall execute and an authorized officer of the Warrant Agent shall manually authenticate and deliver a new Warrant Certificate evidencing the number of Warrants remaining unexercised.

(d) The Company shall not be required to pay any stamp or other tax or other governmental charge required to be paid in connection with any transfer involved in the issuance of the Preferred Stock; and in the event that any such transfer is involved, the Company shall not be required to issue or deliver any shares of Preferred Stock until such tax or other charge shall have been paid or it has been established to the Company's satisfaction that no such tax or other charge is due.

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Section 2.4 RESERVATION OF SHARES. For the purpose of enabling it to satisfy any obligation to issue shares of Preferred Stock upon exercise of Warrants, the Company will at all times through the close of business on the Expiration Date, reserve and keep available, free from preemptive rights and out of its aggregate authorized but unissued shares of Preferred Stock, the number of shares deliverable upon the exercise of all outstanding Warrants.

The Company covenants that all shares of Preferred Stock issued upon exercise of the Warrants will, upon issuance in accordance with the terms of this Agreement, be fully paid and nonassessable and free from all taxes, liens, charges and security interests created by or imposed upon the Company with respect to the issuance and holding thereof.

ARTICLE III

OTHER TERMS OF WARRANTS

Section 3.1 CALL OF WARRANTS BY THE COMPANY.[3] [IF WARRANTS ISSUED HEREUNDER ARE CALLABLE BY THE COMPANY -- The Company shall have the right to call and repurchase any or all Warrants at the price and on or after _____, 19__ (the "Call Date") and upon the occurrence of [discuss events or circumstances under which Company may call the Warrants] (the "Call Terms") of \$ _____ per Warrant (the "Call Price"). Notice of such Call Price, Call Date and Call Terms shall be given to registered holders of Warrants in the manner provided in Section 7.5.

Section 3.2 ADJUSTMENT OF EXERCISE PRICE AND NUMBER OF SHARES PURCHASABLE OR NUMBER OF WARRANTS.[4] The

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- (3) Complete and modify the provisions of this Section as appropriate to reflect the exact terms of the Warrants.
- (4) Complete and modify the provisions of this Section as appropriate to reflect the exact terms of the Warrants.

Exercise Price, the number of shares of Preferred Stock purchasable upon the exercise of each Warrant and the number of Warrants outstanding are subject to adjustment from time to time upon the occurrence of the events enumerated in this Section 3.2. [Additional events may be added, and this Agreement modified accordingly, prior to the issuance of Warrants hereunder.]

[(a) If the Company shall (i) pay a dividend in or make a distribution of shares of its capital stock, whether shares of Preferred Stock or shares of its capital stock of any other class, (ii) subdivide its outstanding shares of Preferred Stock, (iii) combine its outstanding shares of Preferred Stock into a smaller number of shares of Preferred Stock or (iv) issue any shares of its capital stock in a reclassification of the Preferred Stock (including any such reclassification in connection with a consolidation or merger in which the Company is the continuing corporation), the number of shares of Preferred Stock purchasable upon exercise of each Warrant immediately prior thereto shall be adjusted so that the holder of each Warrant shall be entitled to receive the kind and number of shares of Preferred Stock or other securities of the Company which such holder would have owned or have been entitled to receive after the happening of any of the events described above, had such Warrant been exercised immediately prior to the happening of such event or any record date with respect thereto. An adjustment made pursuant to this paragraph (a) shall become effective immediately after the effective date of such event retroactive to the record date, if any, for such event.

(b) If the Company shall issue rights, options or warrants to all holders of its outstanding Preferred Stock, without any charge to such holders, entitling them to subscribe for or purchase shares of Preferred Stock at a price per share that is lower than the market price per share of Preferred

Stock (as defined in paragraph (e) below) at the record date mentioned below, the number of shares of Preferred Stock thereafter purchasable upon the exercise of each Warrant shall be determined by multiplying the number of shares of Preferred Stock theretofore purchasable upon exercise of each Warrant by a fraction, of which the numerator shall be (i) the number of shares of Preferred Stock outstanding on the date of issuance of such rights, options or

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warrants plus the number of additional shares of Preferred Stock offered for subscription or purchase, and of which the denominator shall be (ii) the number of shares of Preferred Stock outstanding on the date of issuance of such rights, options or warrants plus the number of shares which the aggregate offering price of the total number of shares of Preferred Stock so offered would purchase at the market price per share of Preferred Stock at such record date. Such adjustment shall be made whenever such rights, options or warrants are issued, and shall become effective retroactively immediately after the record date for the determination of stockholders entitled to receive such rights, options or warrants.

(c) If the Company shall distribute to all holders of its shares of Preferred Stock evidences of its indebtedness or assets (excluding cash dividends or distributions payable out of capital surplus and dividends or distributions referred to in paragraph (a) above) or rights, options or warrants or convertible or exchangeable securities containing the right to subscribe for or purchase shares of Preferred Stock (excluding those referred to in paragraph (b) above), then in each case the number of shares of Preferred Stock thereafter purchasable upon the exercise of each Warrant shall be determined by multiplying the number of shares of Preferred Stock theretofore purchasable upon the exercise of each Warrant, by a fraction, of which the numerator shall be (i) the then current market price per share of Preferred Stock (as defined in paragraph (e) below) on the date of such distribution, and of which the denominator shall be (ii) the then current market price per share of Preferred Stock less the then fair value (as determined by the Board of Directors of the Company, whose determination shall be conclusive) of the portion of the assets or evidences of indebtedness so distributed or of such subscription rights, options or warrants or convertible or exchangeable securities applicable to one share of Preferred Stock. Such adjustment shall be made whenever any such distribution is made, and shall become effective on the date of distribution retroactive to the record date for the determination of stockholders entitled to receive such distribution.

(d) In the event of any capital reorganization or any reclassification of the Preferred Stock (except as provided in paragraphs (a) through (c) above),

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any holder of Warrants upon exercise thereof shall be entitled to receive, in lieu of the Preferred Stock to which he would have become entitled upon exercise immediately prior to such reorganization or reclassification, the shares (of any class or classes) or other securities or property of the Company that he would have been entitled to receive at the same aggregate Exercise Price upon such reorganization or reclassification if his Warrants had been exercised immediately prior thereto.

(e) [For the purpose of any computation under paragraphs (b) and (c) of this Section 3.02, the current or closing market price per share of Preferred Stock at any date shall be deemed to be the average of the daily closing prices for consecutive trading days commencing _____ trading days before the date of such computation. The closing price for each day shall be [the last sale price] for such day, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Exchange.]

(f) Whenever the number of shares of Preferred Stock purchasable upon the exercise of each Warrant is adjusted as herein provided, the Exercise Price payable upon the exercise of each Warrant shall be adjusted by multiplying such Exercise Price immediately prior to such adjustment by a fraction, of which the numerator shall be the number of shares purchasable upon the exercise of each Warrant immediately prior to such adjustment, and of which the denominator shall be the number of shares so purchasable immediately thereafter.

(g) The Company may elect, on or after the date of any adjustment required by paragraphs (a) through (d) of this Section 3.2, to adjust the number of Warrants in substitution for an adjustment in the number of shares of Preferred Stock purchasable upon the exercise of a Warrant. Each of the Warrants outstanding after such adjustment of the number of Warrants shall be exercisable for the same number of shares of Preferred Stock as immediately prior to such adjustment. Each Warrant held of record prior to such adjustment of the number of Warrants shall become that number of Warrants (calculated to the nearest hundredth) obtained by dividing the Exercise Price in effect prior to adjustment of the Exercise Price by the Exercise Price in effect after

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adjustment of the Exercise Price. The Company shall notify the holders of Warrants in the same manner as provided in the first paragraph of Section 7.5, of its election to adjust the number of Warrants, indicating the record date for the adjustment, and, if known at the time, the amount of the adjustment to be made. This record date may be the date on which the Exercise Price is adjusted or any day thereafter. Upon each adjustment of the number of Warrants pursuant to this paragraph (g) the Company shall, as promptly as practicable, cause to be distributed to holders of record of Warrants on such record date Warrant Certificates evidencing, subject to paragraph (h), the additional Warrants to which such holders shall be entitled as a result of such adjustment, or, at the option of the Company, shall cause to be distributed to such holders of record in substitution and replacement for the Warrant Certificates held by such holders prior to the date of adjustment, and upon surrender thereof, if required by the Company, new Warrant Certificates evidencing all the Warrants to be issued, executed and registered in the manner specified in Section 1 (and which may bear, at the option of the Company, the adjusted Exercise Price) and shall be registered in the names of the holders of record of Warrant Certificates on the record date specified in the notice.

(h) The Company shall not be required to issue fractions of Warrants on any distribution of Warrants to holders of Warrant Certificates pursuant to paragraph (g) or to distribute Warrant Certificates that evidence fractional Warrants. In lieu of such fractional Warrants there shall be paid to the registered holders of the Warrant certificates with regard to which such fractional Warrants would otherwise be issuable, an amount in cash equal to the same fraction of the current market value of a full Warrant. For purposes of this paragraph (h), the current market value of a Warrant shall be the closing price of one Warrant (determined as set forth in paragraph (e)) for the trading day immediately prior to the date on which such fractional Warrant would have been otherwise issuable.

(i) Notwithstanding any adjustment pursuant to Section 3.2 in the number of shares of Preferred Stock purchasable upon the exercise of a Warrant, the Company shall not be required to issue fractions of shares of Preferred Stock upon exercise of the Warrants

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or to distribute certificates which evidence fractional shares. In lieu of fractional shares, there shall be paid to the registered holders of Warrant Certificates at the time such Warrant Certificates are exercised as herein

provided an amount in cash equal to the same fraction of the current market value of a share of Preferred Stock. For purposes of this paragraph (i), the current market value of a share of Preferred Stock shall be the closing price (determined as set forth in paragraph (e)) of a share of Preferred Stock for the trading day immediately prior to the date of such exercise.

ARTICLE IV

REGISTRATION, EXCHANGE, TRANSFER AND SUBSTITUTION OF WARRANT CERTIFICATES

Section 4.1 REGISTRATION, EXCHANGE AND TRANSFER OF WARRANT CERTIFICATES. The Warrant Agent shall keep, at its corporate trust office [and at _____], books in which, subject to such reasonable regulations as it may prescribe, it shall register Warrant Certificates and transfers of outstanding Warrant Certificates.

[IF OFFERED SECURITIES AND WARRANTS WHICH ARE IMMEDIATELY DETACHABLE -- Prior to the Detachable Date, a Warrant Certificate may be exchanged or transferred only together with the Offered Security to which such Warrant Certificate was initially attached, and only for the purpose of effecting, or in conjunction with, an exchange or transfer of such Offered Security. Additionally, on or prior to the Detachable Date, each transfer of an Offered Security [on the register of the Offered Securities] shall operate also to transfer the Warrant Certificate or Certificates to which such Offered Security was initially attached. After the Detachable Date, upon] [IF OFFERED SECURITIES AND WARRANTS WHICH ARE IMMEDIATELY DETACHABLE OR IF WARRANTS ALONE - -- Upon] surrender at the corporate trust office of the Warrant Agent [or _____] of Warrant Certificates properly endorsed [or accompanied by appropriate instruments of transfer] and accompanied by written instructions for [transfer or] exchange, all in form satisfactory to the Company and the Warrant Agent, such Warrant Certificates may be exchanged for other Warrant Certificates or may be transferred in whole or in part; provided that Warrant Certificates issued in exchange for [or upon transfer of] surrendered

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Warrant Certificates shall evidence the same aggregate number of Warrants as the Warrant Certificates so surrendered. No service charge shall be made for any exchange [or transfer] of Warrant Certificates, but the Company may require payment of a sum sufficient to cover any stamp or other tax or governmental charge that may be imposed in connection with any such exchange [or transfer]. Whenever any Warrant Certificates are so surrendered for exchange [or transfer], the Company shall execute and an authorized officer of the Warrant Agent shall manually authenticate and deliver to the person or persons entitled thereto a Warrant Certificate or Warrant Certificates as so requested. The Warrant Agent shall not be required to effect any exchange [or transfer] which would result in the issuance of a Warrant Certificate evidencing a fraction of a Warrant or a number of full Warrants and a fraction of a Warrant. All Warrant Certificates issued upon any exchange [or transfer] of Warrant Certificates shall evidence the same obligations, and be entitled to the same benefits under this Agreement, as the Warrant Certificates surrendered for such exchange [or transfer].

Section 4.2 MUTILATED, DESTROYED, LOST OR STOLEN WARRANT CERTIFICATES. If any mutilated Warrant Certificate is surrendered to the Warrant Agent, the Company shall execute and an officer of the Warrant Agent shall manually authenticate and deliver in exchange therefor a new Warrant Certificate of like tenor and bearing a number not contemporaneously outstanding. If there shall be delivered to the Company and the Warrant Agent (i) evidence to their satisfaction of the destruction, loss or theft of any Warrant Certificate and of the ownership thereof and (ii) such security or indemnity as may be required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Company or the Warrant Agent that such Warrant Certificate has been acquired by a bona fide purchaser, the Company shall execute and upon its request an officer of the

Warrant Agent shall manually authenticate and deliver, in lieu of any such destroyed, lost or stolen Warrant Certificate, a new Warrant Certificate of like tenor and bearing a number not contemporaneously outstanding. Upon the issuance of any new Warrant Certificate under this Section, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation

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thereto and any other expenses (including the fees and expenses of the Warrant Agent) connected therewith. Every new Warrant Certificate issued pursuant to this Section in lieu of any destroyed, lost or stolen Warrant Certificate shall evidence an original additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Warrant Certificate shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Agreement equally and proportionately with any and all other Warrant Certificates duly issued hereunder. The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Warrant Certificates.

Section 4.3 PERSONS DEEMED OWNERS. [IF OFFERED SECURITIES AND WARRANTS WHICH ARE NOT IMMEDIATELY DETACHABLE -- Prior to the Detachable Date, the Company, the Warrant Agent and all other persons may treat the owner of any Offered Security as the owner of the Warrant Certificates initially attached thereto for any purpose and as the person entitled to exercise the rights represented by the Warrants evidenced by such Warrant Certificates, any notice to the contrary notwithstanding. After the Detachable Date,] and prior to due presentment of a Warrant Certificate for registration of transfer, the Company, the Warrant Agent and all other persons may treat the Holder as the owner thereof for any purpose and as the person entitled to exercise the rights represented by the Warrants evidenced thereby, any notice to the contrary notwithstanding.

Section 4.4 CANCELLATION OF WARRANT CERTIFICATES. Any Warrant Certificate surrendered for exchange[, transfer] or exercise of the Warrants evidenced thereby shall, if surrendered to the Company, be delivered to the Warrant Agent, and all Warrant Certificates surrendered or so delivered to the Warrant Agent shall be promptly cancelled by it and shall not be reissued and, except as expressly permitted by this Agreement, no Warrant Certificate shall be issued hereunder in lieu or in exchange thereof. The Company may at any time deliver to the Warrant Agent for cancellation any Warrant Certificates previously issued hereunder which the Company may have acquired in any manner whatsoever, and all Warrant Certificates so delivered shall be promptly cancelled by

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the Warrant Agent. All cancelled Warrant Certificates held by the Warrant Agent shall be destroyed by it unless by written order the Company requests their return to it.

ARTICLE V

OTHER PROVISIONS RELATING TO RIGHTS OF HOLDERS OF WARRANT CERTIFICATES

Section 5.1 NO RIGHTS AS STOCKHOLDERS CONFERRED BY WARRANTS OR WARRANT CERTIFICATES. No Warrant Certificate or Warrant evidenced thereby shall entitle the Holder thereof to any of the rights of a stockholder, including, without limitation, the right to receive dividends.

Section 5.2 HOLDER OF WARRANT CERTIFICATE MAY ENFORCE RIGHTS. Notwithstanding any of the provisions of this Agreement, any Holder of any

Warrant Certificate, without the consent of the Warrant Agent, any stockholder or the Holder of any other Warrant Certificate, may, on its own behalf and for its own benefit, enforce, and may institute and maintain any suit, action or proceeding against the Company suitable to enforce or otherwise in respect of, its right to exercise the Warrant or Warrants evidenced by his Warrant Certificate in the manner provided in the Warrant Certificates and in this Agreement.

ARTICLE VI

CONCERNING THE WARRANT AGENT

Section 6.1 WARRANT AGENT. The Company hereby appoints _____ as Warrant Agent of the Company in respect of the Warrants and the Warrant Certificates upon the terms and subject to the conditions herein set forth, and _____ hereby accepts such appointment. The Warrant Agent shall have the power and authority granted to and conferred upon it in the Warrant Certificates and hereby and such further power and authority to act on behalf of the Company as the Company may hereafter grant to or confer upon it. All of the terms and provisions with respect to such power and authority contained in the Warrant Certificates are subject to and governed by the terms and provisions hereof.

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Section 6.2 CONDITIONS OF WARRANT AGENT'S OBLIGATIONS. The Warrant Agent accepts its obligations herein set forth, upon the terms and conditions hereof, including the following, to all of which the Company agrees and to all of which the rights hereunder of the Holders from time to time of the Warrant Certificates shall be subject:

(a) COMPENSATION AND INDEMNIFICATION. The Company agrees promptly to pay the Warrant Agent the compensation to be agreed upon with the Company for all services rendered by the Warrant Agent and to reimburse the Warrant Agent for reasonable out-of-pocket expenses (including counsel fees) incurred by the Warrant Agent in connection with the services rendered hereunder by the Warrant Agent. The Company also agrees to indemnify the Warrant Agent for, and to hold it harmless against any loss, liability or expense incurred without negligence or bad faith on the part of the Warrant Agent, arising out of or in connection with its acting as such Warrant Agent hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance at any time of its power or duties hereunder. The obligations of the Company under this subsection (a) shall survive the exercise of the Warrant Certificates and the resignation or removal of the Warrant Agent.

(b) AGENT FOR THE COMPANY. In acting under this Warrant Agreement and in connection with the Warrant Certificates, the Warrant Agent is acting solely as agent of the Company and does not assume any obligation or relationship of agency or trust for or with any of the owners or holders of the Warrant Certificates.

(c) COUNSEL. The Warrant Agent may consult with counsel, which may include counsel for the Company, and the written advice of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

(d) DOCUMENTS. The Warrant Agent shall be protected and shall incur no liability for or in respect of any action taken or omitted by it in reliance upon any Warrant Certificates, notice, direction, consent, certificate, affidavit, statement or other paper or

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document reasonably believed by it to be genuine and to have been presented or signed by the proper parties.

(e) CERTAIN TRANSACTIONS. The Warrant Agent, any of its officers, directors and employees, or any other agent of the Company, in its individual or any other capacity, may become the owner of, or acquire any interest in, any Warrant Certificates, with the same rights that it would have if it were not such Warrant Agent, officer, director, employee or other agent, and, to the extent permitted by applicable law, it may engage or be interested in any financial or other transaction with the Company and may act on, or as depository, trustee or agent for, any committee or body of holders of Warrant Debt Securities or other obligations of the Company as freely as if it were not such Warrant Agent.

(f) NO LIABILITY FOR INTEREST. The Warrant Agent shall not be under any liability for interest on any monies at any time received by it pursuant to any of the provisions of this Agreement or of the Warrant Certificates unless otherwise agreed to in writing by the Company and the Warrant Agent and except for the negligence of the Warrant Agent.

(g) NO LIABILITY FOR INVALIDITY. The Warrant Agent shall not incur any liability with respect to the validity of this Agreement or any of the Warrant Certificates.

(h) NO RESPONSIBILITY FOR REPRESENTATIONS. The Warrant Agent shall not be responsible for any of the Recitals or representations contained herein or in the Warrant Certificates (except as to the Warrant Agent's Certificate of Authentication thereon), all of which are made solely by the Company.

(i) NO IMPLIED OBLIGATIONS. The Warrant Agent shall be obligated to perform such duties as are herein and in the Warrant Certificates specifically set forth and no implied duties or obligations shall be read into this Agreement or the Warrant Certificates against the Warrant Agent. The Warrant Agent shall not be under any obligation to take any action hereunder which may tend to involve it in any expense or liability, the payment of which within a reasonable time is not, in its reasonable opinion, assured to it. The Warrant Agent

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shall not be accountable or under any duty or responsibility for the use by the Company of any of the Warrant Certificates authenticated by the Warrant Agent and delivered by it to the Company pursuant to this Agreement or for the application by the Company of the proceeds of the Warrant Certificates or any exercise of the Warrants evidenced thereby. The Warrant Agent shall have no duty or responsibility in case of any default by the Company in the performance of its covenants or agreements contained herein or in the Warrant Certificates or in the case of the receipt of any written demand from a Holder of a Warrant Certificate with respect to such default, including, without limiting the generality of the foregoing, any duty or responsibility to initiate or attempt to initiate any proceedings at law or otherwise or, except as provided in Section 7.4 hereof, to make any demand upon the Company.

Section 6.3 RESIGNATION, REMOVAL AND ASSIGNMENT OF SUCCESSOR.

(a) The Company agrees, for the benefit of the Holders from time to time of the Warrant Certificates, that there shall at all times be a Warrant Agent hereunder until all of the Warrant Certificates are no longer exercisable.

(b) The Warrant Agent may at any time resign as such agent by giving written notice to the Company of such intention on its part, specifying the date on which it desires its resignation to become effective; provided that, without the consent of the Company, such date shall not be less than [three months] after the date on which such notice is given. The Warrant Agent hereunder may be removed at any time by the filing with it of an instrument in

writing signed by or on behalf of the Company and specifying such removal and the date on which the Company expects such removal to become effective. Such resignation or removal shall take effect upon the appointment by the Company of a successor Warrant Agent (which shall be a bank or trust company organized and doing business under the laws of the United States of America, any State thereof or the District of Columbia and authorized under such laws to exercise corporate trust powers) by an instrument in writing filed with such successor Warrant Agent and the acceptance of such appointment by such successor Warrant Agent pursuant to Section 6.3(d).

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(c) In case at any time the Warrant Agent shall resign, or be removed, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or shall file a voluntary petition in bankruptcy or make an assignment for the benefit of its creditors or consent to the appointment of a receiver or custodian of all or any substantial part of its property, or shall admit in writing its inability to pay or meet its debts as they mature, or if a receiver or custodian of it or of all or any substantial part of its property shall be appointed, or if an order of any court shall be entered approving any petition filed by or against it under the provisions of any applicable bankruptcy or similar law, or if any public officer shall have taken charge or control of the Warrant Agent or of its property or affairs, a successor Warrant Agent, qualified as aforesaid, shall be appointed by the Company by an instrument filed with the successor Warrant Agent. Upon appointment as aforesaid of a successor Warrant Agent and acceptance by the latter of such appointment, the Warrant Agent so superseded shall cease to be Warrant Agent hereunder.

(d) Any successor Warrant Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the Company an instrument accepting such appointment hereunder, and thereupon such successor Warrant Agent, without any further act, deed or conveyance, shall become vested with all the authority, rights, powers, trusts, immunities, duties and obligations of such predecessor with like effect as if originally named as Warrant Agent hereunder, and such predecessor, upon payment of its charges and disbursements then unpaid, shall thereupon become obligated to transfer, deliver and pay over, and such successor Warrant Agent shall be entitled to receive, all monies, securities and other property on deposit with or held by such predecessor, as Warrant Agent hereunder.

(e) Any corporation into which the Warrant Agent hereunder may be merged or converted or any corporation with which the Warrant Agent may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Warrant Agent shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Warrant Agent, provided that it shall be qualified as aforesaid, shall be the successor Warrant Agent under

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this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto.

ARTICLE VII

MISCELLANEOUS

Section 7.1 CONSOLIDATIONS AND MERGERS OF THE COMPANY AND SALES, LEASES AND CONVEYANCES PERMITTED SUBJECT TO CERTAIN CONDITIONS. The Company may consolidate with, or sell or convey all or substantially all of its assets to, or merge with or into any other corporation, provided that in any such case, either the Company shall be the continuing corporation, or the corporation (if other than the Company) formed by such consolidation or into which the Company

is merged or the corporation which acquired by purchase or conveyance all or substantially all of the assets of the Company shall expressly assume the obligations of the Company hereunder.

Section 7.2 RIGHTS AND DUTIES OF SUCCESSOR CORPORATION. In case of any such consolidation, merger, sale, lease or conveyance and upon any such assumption by the successor corporation, such successor corporation shall succeed to and be substituted for the Company, with the same effect as if it had been named herein, and the predecessor corporation, except in the event of a lease, shall be relieved of any further obligation under this Agreement and the Warrants. Such successor corporation thereupon may cause to be signed, and may issue either in its own name or in the name of the Company, any or all of the shares of Preferred Stock issuable pursuant to the terms hereof.

Section 7.3 AMENDMENT. This Agreement may be amended by the parties hereto, without the consent of the Holder of any Warrant Certificate, for the purpose of curing any ambiguity, or curing, correcting or supplementing any defective provision contained herein, or making such provisions in regard to matters or questions arising under this Agreement as the Company may deem necessary or desirable; provided that such action shall not adversely affect the interests of the Holders of the Warrant Certificates in any material respect. The Warrant Agent may, but shall not be obligated to, enter into any amendment to this agreement which affects the Warrant

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Agent's own rights, duties or immunities under this Agreement or otherwise.

Section 7.4 NOTICES AND DEMANDS TO THE COMPANY AND WARRANT AGENT. If the Warrant Agent shall receive any notice or demand addressed to the Company by the Holder of a Warrant Certificate pursuant to the provisions of the Warrant Certificates, the Warrant Agent shall promptly forward such notice or demand to the Company.

Section 7.5 NOTICES TO WARRANTHOLDERS. Upon any adjustment of the number of shares purchasable upon exercise of each Warrant, the Exercise Price or the number of Warrants outstanding pursuant to Section 3.2, the Company within _____ calendar days thereafter shall (i) cause to be filed with the Warrant Agent a certificate of a firm of independent public accountants of recognized standing selected by the Company (who may be the regular auditors of the Company) setting forth the Exercise Price and either the number of shares of Preferred Stock purchasable upon exercise of each Warrant or the additional number of Warrants to be issued for each previously outstanding Warrant, as the case may be, after such adjustment and setting forth in reasonable detail the method of calculation and the facts upon which such adjustment are made, which certificate shall be conclusive evidence of the correctness of the matters set forth therein, and (ii) cause to be given to each of the registered holders of the Warrant Certificates at such holder's address appearing on the Warrant Register written notice of such adjustments by first-class mail, postage prepaid. Where appropriate, such notice may be given in advance and included as part of the notice required to be mailed under the provisions of this Section 7.5.

Pursuant to Sections 3.1 [add other sections as applicable], the Company shall cause written notice of such Call Price, Call Date and Call Terms [reference other items as applicable], as the case may be, to be given as soon as practicable to the Warrant Agent and to each of the registered holders of the Warrant Certificates by first class mail, postage prepaid, at such holder's address appearing on the Warrant register. In addition to the written notice referred to in the preceding sentence, the Company shall make a public announce-

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ment in a daily morning newspaper of general circulation in _____ of such

Call Price, Call Date, and Call Terms [reference other items as applicable], as the case may be, at least once a week for two successive weeks prior to the implementation of such terms.

If:

(a) the Company shall declare any dividend payable in any securities upon its shares of Preferred Stock or make any distribution (other than a cash dividend) to the holders of its shares of Preferred Stock; or

(b) the Company shall offer to the holders of its shares of Preferred Stock any additional shares of Preferred Stock or securities convertible into shares of Preferred Stock or any right to subscribe thereto; or

(c) there shall be a dissolution, liquidation or winding up of the Company (other than in connection with a consolidation, merger, or sale of all substantially all of its property, assets, and business as an entirety);

then the Company shall (i) cause written notice of such event to be filed with the Warrant Agent and shall cause written notice of such event to be given to each of the registered holders of the Warrant Certificates at such holder's address appearing on the Warrant Register, by first-class mail, postage prepaid, and (ii) make a public announcement in a daily newspaper of general circulation in _____ of such event, such giving of notice and publication to be completed at least _____ calendar days prior to the date fixed as a record date or the date of closing the transfer books for the determination of the stockholders entitled to such dividend, distribution, or subscription rights, or for the determination of stockholders entitled to vote on such proposed dissolution, liquidation or winding up. Such notice shall specify such record date or the date of closing the transfer books, as the case may be. The failure to give the notice required by this Section 7.5 or any defect therein shall not affect the legality or validity of any distribution, right, warrant, dissolution, liquidation or

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winding up or the vote upon or any other action taken in connection therewith.

Section 7.6 ADDRESSES. Any communications from the Company to the Warrant Agent with respect to this Agreement shall be addressed to _____, Attention: _____, and any communications from the Warrant Agent to the Company with respect to this Agreement shall be addressed to Snap-on Incorporated, 2801 80th Street, Kenosha, Wisconsin 53141-1410, Attention: Corporate Secretary (or such other address as shall be specified in writing by the Warrant Agent or by the Company).

Section 7.7 GOVERNING LAW. This Agreement and each Warrant Certificate issued hereunder shall be governed by and construed in accordance with the laws of the State of New York.

Section 7.8 DELIVERY OF PROSPECTUS. The Company will furnish to the Warrant Agent sufficient copies of a prospectus, appropriately supplemented, relating to the Preferred Stock (the "Prospectus"), and the Warrant Agent agrees that upon the exercise of any Warrant Certificate, the Warrant Agent will deliver to the person designated to receive a certificate representing shares of Preferred Stock, prior to or concurrently with the delivery of such Securities, a Prospectus.

Section 7.9 OBTAINING OF GOVERNMENTAL APPROVALS. The Company will from time to time take all action which may be necessary to obtain and keep effective any and all permits, consents and approvals of governmental agencies and authorities and securities acts filings under United States Federal and State laws (including, without limitation, the maintenance of the effectiveness of a registration statement in respect of the Preferred Stock under the Securities Act of 1933), which may be or become required in connection with exercise of the Warrant Certificates and the original issuance and delivery of

the Preferred Stock.

Section 7.10 PERSONS HAVING RIGHTS UNDER WARRANT AGREEMENT. Nothing in this Agreement expressed or implied and nothing that may be inferred from any of the provisions herein is intended, or shall be construed, to confer upon, or give to, any person or corporation

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other than the Company, the Warrant Agent and the Holders of the Warrant Certificates any right, remedy or claim under or by reason of this Agreement or of any covenant, condition, stipulation, promise or agreement hereof; and all covenants, conditions, stipulations, promises and agreements in this Agreement contained shall be for the sole and exclusive benefit of the Company and the Warrant Agent and their successors and of the Holders of the Warrant Certificates.

Section 7.11 HEADINGS. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 7.12 COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original; but such counterparts shall together constitute but one and the same instrument.

Section 7.13 INSPECTION OF AGREEMENT. A copy of this Agreement shall be available at all reasonable times at the principal corporate trust office of the Warrant Agent [and at _____] for inspection by the Holder of any Warrant Certificate. The Warrant Agent may require such Holder to submit its Warrant Certificate for inspection by it.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, and their respective corporate seal to be hereunto affixed and attested, all as of the day and year first above written.

SNAP-ON INCORPORATED

By: _____

[SEAL]

Attest

[Assistant] Secretary

[SEAL] Attest:

[Assistant] Secretary

By: _____

[SEAL]

Attest:

[Assistant] Secretary

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EXHIBIT A

[FORM OF WARRANT CERTIFICATE]
[Face]

FORM OF LEGEND IF OFFERED
SECURITIES WITH WARRANTS
WHICH ARE NOT IMMEDIATELY
DETACHABLE

[Prior to _____, this
Warrant Certificate may be
transferred or exchanged if
and only if the [Title of
Security] to which it was
initially attached is so
transferred or exchanged.]

EXERCISABLE ONLY IF AUTHENTICATED BY THE WARRANT
AGENT AS PROVIDED HEREIN

VOID AFTER THE CLOSE OF BUSINESS ON _____, 199__

SNAP-ON INCORPORATED

Warrant Certificate representing
Warrants to purchase
Preferred Stock
as described herein.

No. _____ Warrants

This certificates that _____ or registered assigns is the
registered owner of the above indicated number of Warrants, each warrant
entitling such registered owner to purchase, at any time [after the close of
business on _____, 19__, and] on or before the close of business on
_____, 19__, one share of the [designation of Preferred Stock] ("Preferred
stock") of Snap-on Incorporated (the "Company"), on the following basis.*
[During the period from _____, 19__, through and including _____, 19__,
each Warrant shall entitle the

* Complete and modify the following provisions as appropriate to reflect the
terms of the Warrants.

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Holder thereof, subject to the provisions of this Agreement, to purchase from
the Company one share of Preferred Stock at the exercise price of \$_____;
during the period from _____, 19__ through and including _____, 19__, each
Warrant shall entitle the Holder thereof, subject to the provisions of this
Agreement, to purchase from the Company the one share of Preferred Stock at the
exercise price of \$_____ (the "Exercise Price"). The Holder of this Warrant

Certificate may exercise the Warrants evidenced hereby, in whole or in part, by surrendering this Warrant Certificate, with the purchase form set forth hereon duly completed, accompanied by payment in full, in lawful money of the United States of America, [in cash or by certified check or official bank check in New York Clearing House funds or by bank wire transfer in immediately available funds], the Exercise Price for each Warrant exercised, to the Warrant Agent (as hereinafter defined), at the corporate trust office of [name of Warrant Agent], or its successor, as warrant agent (the "Warrant Agent") [or at _____], the addresses specified on the reverse hereof and upon compliance with and subject to the conditions set forth herein and in the Warrant Agreement (as hereinafter defined).

The term "Holder" as used herein shall mean [IF OFFERED DEBT SECURITIES WITH WARRANTS WHICH ARE NOT IMMEDIATELY DETACHABLE -- prior to _____, 19__ (the "Detachable Date"), the registered owner of the Company's [title of Offered Securities] to which such Warrant Certificate was initially attached, and after such Detachable Date,] the person in whose name at the time such Warrant Certificate shall be registered upon the books to be maintained by the Warrant Agent for that purpose pursuant to Section 4.1 of the Warrant Agreement.

Any whole number of Warrants evidenced by this Warrant Certificate may be exercised to purchase shares of Preferred Stock. Upon any exercise of fewer than all of the Warrants evidenced by this Warrant Certificate, there shall be issued to the registered owner hereof a new Warrant Certificate evidencing the number of Warrants remaining unexercised.

This Warrant Certificate is issued under and in accordance with the Warrant Agreement dated as of _____, 19__ (the "Warrant Agreement"), between the

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Company and the Warrant Agent and is subject to the terms and provisions contained in the Warrant Agreement, to all of which terms and provisions the holder of this Warrant Certificate consents by acceptance hereof. Copies of the Warrant Agreement are on file at the above-mentioned office of the Warrant Agent [and at _____].

[IF OFFERED SECURITIES WITH WARRANTS WHICH ARE NOT IMMEDIATELY DETACHABLE--prior to _____, 19__ (the "Detachable Date"), this Warrant Certificate may be exchanged or transferred only together with the [title of Offered Security] (the "Offered Security") to which this Warrant Certificate was initially attached, and only for the purpose of effecting, or in conjunction with, an exchange or transfer of such Offered Security. Additionally, on or prior to the Detachable Date, each transfer of such Offered Security on the register of the Offered Securities shall operate also to transfer this Warrant Certificate. After the Detachable Date, this] [IF OFFERED DEBT SECURITIES WITH WARRANTS WHICH ARE IMMEDIATELY DETACHABLE OR WARRANTS ALONE--This] Warrant Certificate and all rights hereunder, may be transferred when surrendered at the corporate trust office of the Warrant Agent [or _____] by the registered owner or his assigns, in person or by an attorney duly authorized in writing, in the manner and subject to the limitations provided in the Warrant Agreement.

[IF OFFERED SECURITIES WITH WARRANTS WHICH ARE NOT IMMEDIATELY DETACHABLE--Except as provided in the immediately preceding paragraph, after] [IF OFFERED DEBT SECURITIES WITH WARRANTS WHICH ARE IMMEDIATELY DETACHABLE OR WARRANTS ALONE--After] authentication by the Warrant Agent and prior to the expiration of this Warrant Certificate, this Warrant Certificate may be exchanged at the corporate trust office of the Warrant Agent [or at _____] for Warrant Certificates representing the same aggregate number of Warrants.

This Warrant Certificate shall not entitle the registered owner hereof to any of the rights of a stockholder, including, without limitation, the right to receive dividends.

Reference is hereby made to the further provisions of this Warrant Certificate set forth on the reverse hereof, which further provisions shall for all

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purposes have the same effect as if set forth at this place.

This Warrant Certificate shall not be valid obligatory for any purpose until authenticated by the Warrant Agent.

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IN WITNESS WHEREOF, the Company has caused this Warrant Certificate to be duly executed under its corporate seal.

Dated: _____

SNAP-ON INCORPORATED

By: _____

Attest:

Certificate of Authentication

This is one of the Warrant Certificates referred to in the within-mentioned Warrant Agreement.

As Warrant Agent

By: _____
Authorized Signature

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[FORM OF WARRANT CERTIFICATE]
[REVERSE]
(Instructions for Exercise of Warrants)

To exercise any Warrants evidenced hereby, the Holder of this Warrant Certificate must pay [in cash or by certified check or official bank check in New York Clearing House funds or by bank wire transfer in immediately available funds], the Exercise Price in full for each of the Warrants exercised, to _____, Corporate Trust Department, _____, Attn: [or _____], which payment should specify the name of the Holder of this Warrant Certificate and the number of Warrants exercised by such Holder. In addition, the Holder of this Warrant Certificate should complete the information required below and present in person or mail by registered mail this Warrant

Certificate to the Warrant Agent at the addresses set forth below.

[FORM OF EXERCISE]

(To be executed upon exercise of Warrants.)

The undersigned hereby irrevocably elects to exercise Warrants, represented by this Warrant Certificate, to purchase _____ shares of the [designation of Preferred Stock] ("Preferred Stock") of Snap-on Incorporated and represents that he has tendered payment for such shares of Preferred Stock [in cash or by certified check or official bank check in New York Clearing House funds or by bank wire transfer in immediately available funds] to the order of Snap-on Incorporated, c/o Treasurer, in the amount of \$_____ in accordance with the terms hereof. The undersigned requests that said shares of Preferred Stock be registered in such names and delivered, all as specified in accordance with the instructions set forth below.

If said number of shares of Preferred Stock is less than all of the shares of Preferred Stock purchasable hereunder, the undersigned requests that a new Warrant Certificate representing the remaining balance of the Warrants evidenced hereby be issued and delivered to

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the undersigned unless otherwise specified in the instructions below.

Dated:

Name _____
(Please Print)

(Insert Social Security
or Other Identifying
Number of Holder)

Address _____

Signature (Signature must conform in all respects to name of holder as specified on the face of this Warrant Certificate and must bear a signature guarantee by a bank, trust company or member broker of the New York, Chicago or Pacific Stock Exchange.)

This Warrant may be exercised at the following addresses:

By hand at _____

By mail at _____

(Instructions as to form and delivery of
certificates representing shares of Preferred Stock
and/or Warrant Certificates):

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[FORM OF ASSIGNMENT]

(TO BE EXECUTED TO TRANSFER
THE WARRANT CERTIFICATE)

FOR VALUE RECEIVED _____ hereby sells,
assigns and transfers unto

Please insert social
security or other
identifying number

Please print name and address
(including zip code)

- - - - -
the right represented by the within Warrant Certificate and does hereby
irrevocably constitute and appoint _____, Attorney, to transfer said
Warrant Certificate on the books of the Warrant Agent with full power of
substitution.

Dated:

Signature

(Signature must conform in all
respects to name of holder as
specified on the face of this
Warrant Certificate and must bear a
signature guarantee by a bank,
trust company or member broker of
the New York, Chicago or Pacific
Stock Exchange.)

Signature Guaranteed:

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FORM OF CURRENCY WARRANT AGREEMENT

SNAP-ON INCORPORATED

and

As Warrant Agent

WARRANT AGREEMENT

Dated as of _____, 199__

UP TO _____ CURRENCY [PUT/CALL] WARRANTS

EXPIRING _____, 199__

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EXHIBIT A -- Form of Global Warrant Certificate

WARRANT AGREEMENT

THIS AGREEMENT, dated as of _____, 199__, between Snap-on Incorporated, a corporation duly organized and existing under the laws of the State of Delaware (the "Company"), and [name of Warrant Agent], a [corporation][national banking association] organized and existing under the laws of _____, as Warrant Agent (the "Warrant Agent"),

W I T N E S S E T H T H A T:

WHEREAS, the Company proposes to sell warrants (the "Warrants" or, individually, a "Warrant") representing the right to receive from the Company the Cash Settlement Value (as defined herein) in U.S. dollars of the right to [purchase/sell] at a price of U.S. [\$ _]; and

WHEREAS, the Company wishes the Warrant Agent to act on behalf of the Company in connection with the issuance, transfer and exercise of Warrants, and wishes to set forth herein, among other things, the provisions of the Warrants and the terms and conditions on which they may be issued, transferred, exercised and cancelled;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements herein contained, the parties hereto agree as follows:

ARTICLE I

ISSUANCE, FORM, EXECUTION,
DELIVERY AND REGISTRATION OF WARRANTS

Section 1.1 ISSUANCE OF WARRANTS; BOOK ENTRY PROCEDURES; SUCCESSOR DEPOSITORY. (a) The Warrants shall be represented by a single certificate (the "Global Warrant Certificate"). Each Warrant shall represent the right, subject to the provisions contained herein and in the Global Warrant Certificate, to receive the Cash Settlement Value (as defined in paragraph (f) of Section 2.2) of such Warrant. In no event shall Holders (as defined in Section 2.1) be entitled to receive any interest on any Cash Settlement Value (unless the Company shall default in the payment of such Cash Settlement

Value). Holders will not be entitled to receive definitive Warrants evidencing the Warrants; PROVIDED, HOWEVER, that if the Depository (as defined in Section 1.1(b)) is at any time unwilling or unable to continue as Depository for the Warrants and a successor Depository is not appointed by the Company within 90 days, the Company will issue Warrants in definitive form in exchange for the Global Warrant Certificate. In addition, the Company may at any time determine not to have the Warrants represented by a Global Warrant Certificate and, in such event, will issue Warrants in definitive form in exchange for the Global Warrant Certificate. In either instance, and in accordance with the provisions of this Agreement, each Holder will be entitled to have a number of Warrants equivalent to such Holder's beneficial interest in the Global Warrant Certificate registered in its name and will be entitled to physical delivery of such Warrants in definitive form by the Depository Participant (as defined in Section 1.1(c)) through which such Holder's beneficial interest is reflected. The provisions of Section 1.5 shall apply only if and when Warrants in definitive form ("Warrant Certificates") are issued hereunder. Unless the context shall otherwise require, all references in this Agreement to the Global Warrant Certificate shall include the Warrant Certificates in the event that Warrant Certificates are issued.

(b) The Global Warrant Certificate shall be deposited with the Depository or its agent (the term "Depository," as used herein, initially refers to The Depository Trust Company and includes any successor depository selected by the Company as provided in Section 1.1(d)) for credit to the accounts of the Depository Participants as shown on the records of the Depository from time to time.

(c) The Global Warrant Certificate will initially be registered in the name of a nominee of the Depository selected by the Company for the Warrants. The Warrant holdings of Depository Participants will be recorded on the books of the Depository. The holdings of customers of Depository Participants will be reflected on the books and records of such Depository Participants and will not be known to the Warrant Agent, the Company or the Depository. "Depository Participants" include securities brokers and dealers, banks and trust companies, clearing organizations and certain other organizations

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which are participants in the DTC system. Access to the Depository's system is also available to others such as banks, securities dealers and trust companies that clear or maintain a custodial relationship with a Depository Participant, either directly or indirectly. The Global Warrant Certificate will be held by the Depository or its agent.

(d) The Company may from time to time select a new entity to act as Depository and, if such selection is made, the Company shall promptly give the Warrant Agent notice to such effect identifying the new Depository and the Global Warrant Certificate shall be delivered to the Warrant Agent and shall be transferred to the new Depository as provided in Section 1.4 as promptly as possible. Appropriate changes may be made in the Global Warrant Certificate, the notice of exercise and the related notices delivered in connection with an exercise of Warrant to reflect the selection of the new Depository.

Section 1.2 FORM, EXECUTION AND DELIVERY OF GLOBAL WARRANT CERTIFICATE. The Global Warrant Certificate, whenever issued, shall be in registered form substantially in the form set forth in Exhibit A hereto, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Agreement. The Global Warrant Certificate may have imprinted or otherwise reproduced thereon such letters, numbers or other marks of identification or designation and such legends or endorsements as the officers of the Company executing the same may approve (execution thereof to be conclusive evidence of such approval) and are not inconsistent with the provisions of this Agreement, or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange on which the Warrants may be listed or of the Depository, or to conform to usage. The Global Warrant Certificate shall be signed on behalf of the Company by its President, Chairman of the Board, officer serving as Chief Financial Officer, Treasurer or any Vice President, manually or by facsimile signature, and a facsimile of its corporate seal shall be impressed, imprinted or engraved thereon, which shall be attested by its Secretary or any Assistant Secretary, either manually or by facsimile signature. Typographical and other minor errors or defects in any

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such reproduction of the seal or any such signature shall not affect the validity or enforceability of the Global Warrant Certificate that has been duly countersigned and delivered by the Warrant Agent.

In case any officer of the Company who shall have signed the Global Warrant Certificate either manually or by facsimile signature shall cease to be such officer before the Global Warrant Certificate so signed shall have been

countersigned and delivered by the Warrant Agent to the Company or delivered by the Company; such Global Warrant Certificate nevertheless may be countersigned and delivered as though the person who signed such Global Warrant Certificate had not ceased to be such officer of the Company and the Global Warrant Certificate may be signed on behalf of the Company by such persons as, at the actual date of the execution of such Global Warrant Certificate, shall be the proper officers of the Company, although at the date of the execution of this Agreement any such person was not such officer.

Section 1.3 GLOBAL WARRANT CERTIFICATE. One or more Global Warrant Certificates relating to no more than _____ Warrants originally issued may be executed by the Company and delivered to the Warrant Agent on or after the date of execution of this Agreement, provided that only one Global Warrant Certificate shall be outstanding at any one time. The Warrant Agent is authorized, upon receipt of a Global Warrant Certificate from the Company, duly executed on behalf of the Company, to countersign such Global Warrant Certificate. The Global Warrant Certificate shall be manually countersigned and dated the date of countersignature by the Warrant Agent and shall not be valid for any purpose unless so countersigned. The Warrant Agent shall countersign and deliver the Global warrant Certificate to or upon the order of the Company.

The Global Warrant Certificate may be exchanged for a new Global Warrant Certificate to reflect the issuance by the Company of additional Warrants; PROVIDED, HOWEVER, that in no event shall the number of Warrants represented by the Global Warrant Certificate exceed _____ originally issued. To effect such an exchange the Company shall deliver to the Warrant Agent a new Global Warrant Certificate duly executed on behalf of the

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Company as provided in Section 1.2. The Warrant Agent shall countersign the new Global Warrant Certificate as provided in this Section 1.3 and, upon a written order of the Company, shall deliver the new Global Warrant Certificate to the Depository in exchange for, and upon receipt of, the Global Warrant Certificate then held by the Depository. The Warrant Agent shall cancel the Global Warrant Certificate delivered to it by the Depository and return the cancelled Global Warrant Certificate to the Company.

Section 1.4 REGISTRATION OF TRANSFERS AND EXCHANGES. Except as otherwise provided herein or in the Global Warrant Certificate, the Warrant Agent shall from time to time register the transfer of the Global Warrant Certificate in the records of the Warrant Agent only to the Depository, to a nominee of the Depository, to a successor Depository or to a nominee of a successor Depository, upon surrender of such Global Warrant Certificate, duly endorsed and accompanied by a written instrument or instruments of transfer in form satisfactory to the Warrant Agent and the Company, duly signed by the registered Holder thereof or by the duly appointed legal representative thereof or by a duly authorized attorney, such signature to be guaranteed by a bank or trust company, by a broker or dealer which is a member of the National Association of Securities Dealers, Inc. or by a member of a national securities exchange. Upon any such registration of transfer, the Company shall execute and the Warrant Agent shall countersign and deliver in the name of the designated transferee a new Global Warrant Certificate of like tenor and evidencing a like number of unexercised Warrants as evidenced by the Global Warrant Certificate at the time of such registration of transfer.

The Global Warrant Certificate may be transferred as provided above at the option of the Holder thereof when surrendered to the Warrant Agent at its office or agency maintained for the purpose of transferring and exercising the Warrants, which shall be [south of Chambers Street] in the Borough of Manhattan, The City of New York (the "Warrant Agent Office"), and which is, on the date of this Agreement, _____, New York, New York _____, Attention: [Corporate Trust Department], or at the office of any successor Warrant Agent as provided in Section 5.3, for another Global Warrant Certificate of

like tenor and representing a like number of unexercised Warrants.

Section 1.5 WARRANT CERTIFICATES. Any Warrant Certificates issued in accordance with Section 1.1(a) shall be in registered form substantially in the form set forth in Exhibit A hereto, with such appropriate insertions, omissions, substitutions and other variations as are necessary or desirable for individual Warrant Certificates, and may represent any integral multiple of Warrants. The Warrant Certificates may have imprinted or otherwise reproduced thereon such letters, numbers or other marks of identification or designation and such legends or endorsements as the officers of the Company executing the same may approve (execution thereof to be conclusive evidence of such approval) and are not inconsistent with the provisions of this Agreement, or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange on which the Warrants may be listed or of the Depository, or to conform to usage. Warrant Certificates shall be signed on behalf of the Company upon the same conditions, in substantially the same manner and with the same effect as the Global Warrant Certificate.

Each Warrant Certificate, when so signed on behalf of the Company, shall be delivered to the Warrant Agent, which shall manually countersign and deliver the same to or upon the written order of the Company. Each Warrant Certificate shall be dated the date of its countersignature.

No Warrant shall be valid for any purpose, and no Warrant evidenced thereby shall be exercisable, until such Warrant Certificate has been countersigned by the manual signature of the Warrant Agent. Such signature by the Warrant Agent upon any Warrant Certificate executed by the Company shall be conclusive evidence that the Warrant Certificate so countersigned has been duly issued hereunder.

Warrant Certificates delivered in exchange for the Global Warrant Certificate shall be registered in such names and addresses (including task identification numbers) and in such denominations as shall be requested in writing by the Depository or its nominee in whose name

the Global Warrant Certificate is registered, upon written certification to the Company and the Warrant Agent in form satisfactory to each of them of a beneficial ownership interest in the Global Warrant Certificate.

The Company shall cause to be kept at an office of the Warrant Agent in the City of New York a register (the register maintained in such office and in any other office or agency maintained by or on behalf of the Company for such purpose being herein sometimes collectively referred to as the "Warrant Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Warrant Certificates and of transfers of Warrant Certificates. The Warrant Agent is hereby appointed "Warrant Registrar" for the purpose of registering Warrant Certificates and transfers of Warrant Certificates as herein provided.

For purposes of this Section 1.5, a "Warrantholder" of a Warrant Certificate at any particular time is the person in whose name such Warrant Certificate is registered in the Warrant Register at such time.

Upon surrender for registration of transfer of any Warrant Certificate at an office or agency of the Company maintained for such purpose, the Company shall execute, and the Warrant Agent shall countersign and deliver, in the name of the designated transferee or transferees, one or more new Warrant Certificates of any authorized denominations and representing Warrants of a like aggregate number.

At the option of the Warrantholder, Warrant Certificates may be exchanged for other Warrant Certificates of any authorized denominations and representing Warrants of a like aggregate number, upon surrender of the Warrant Certificates to be exchanged at such office or agency. Whenever any Warrant Certificates are so surrendered for exchange, the Company shall execute, and the Warrant Agent shall countersign and deliver, the Warrant Certificates which the Warrantholder making the exchange is entitled to receive.

All Warrant Certificates issued upon any registration of transfer or exchange of Warrant Certificates shall be the valid obligations of the Company, evidencing the same obligations of the Company, and entitled to the

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same benefits under this Warrant Agreement, as the Warrant Certificates surrendered upon such registration of transfer or exchange.

Every Warrant Certificate presented or surrendered for registration of transfer or for exchange shall (if so required by the Company or the Warrant Agent) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company and the Warrant Registrar duly executed, by the Warrantholder thereof or his attorney duly authorized in writing.

No service charge shall be made for any registration of transfer or exchange of Warrant Certificates, but the Company may require payment of a sum sufficient to cover any task or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Warrant Certificates.

If any mutilated Warrant Certificate is surrendered to the Warrant Agent, the Company shall execute and the Warrant Agent shall countersign and deliver in exchange therefor a new Warrant Certificate of like tenor representing Warrants of a like number and bearing a number not contemporaneously outstanding.

If there shall be delivered by a Warrantholder to the Company and the Warrant Agent (i) evidence to their satisfaction of the destruction, loss or theft of any Warrant Certificate, (ii) such security or indemnity as may be required by them to save each of them and any agent of either of them harmless and (iii) funds sufficient to cover any cost or expense to the Company (including any fees charged by the Warrant Agent) relating to the issuance of a new Warrant Certificate, then, in the absence of notice to the Company or the Warrant Agent that such Warrant Certificate has been acquired by a bona fide purchaser, the Company shall execute and upon its request the Warrant Agent shall countersign and deliver, in lieu of any such destroyed, lost or stolen Warrant Certificate, a new Warrant Certificate of like tenor representing Warrants of a like number and bearing a number not contemporaneously outstanding.

In case the Warrants evidenced by any such mutilated, destroyed, lost or stolen Warrant Certificate have been exercised, or have been or are about to be

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deemed to be exercised, the Company in its discretion may, instead of issuing a new Warrant Certificate, treat the same as if it had received written irrevocable notice of exercise in good form in respect thereof, as provided herein.

Every new Warrant Certificate issued pursuant to this Section 1.5 in lieu of any destroyed, lost or stolen Warrant Certificate shall constitute an original additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Warrant Certificate shall be at any time enforceable

by anyone, and shall be entitled to all the benefits of this Warrant Agreement equally and proportionately with any and all other Warrant Certificates duly issued hereunder.

The provisions of this Section 1.5 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Warrant Certificates.

Prior to due presentment of a Warrant Certificate for registration of transfer, the Company, the Warrant Agent and any agent of the Company or the Warrant Agent may treat the person in whose name such Warrant Certificate is registered as the owner of such Warrant Certificate for all purposes hereunder whatsoever, whether or not such Warrant Certificate be exercised or deemed to be exercised; and neither the Company, the Warrant Agent nor any agent of the Company or the Warrant Agent shall be affected by notice to the contrary.

All Warrant Certificates surrendered for exercise, registration of transfer or exchange shall, if surrendered to any person other than the Warrant Agent, be delivered to the Warrant Agent and shall be promptly cancelled by it. The Company may at any time deliver to the Warrant Agent for cancellation any Warrant Certificates previously countersigned and delivered hereunder which the Company may have acquired in any manner whatsoever, and all Warrant Certificates so delivered shall be promptly cancelled by the Warrant Agent. No Warrant Certificates shall be countersigned in lieu of or in exchange for any Warrant Certificates cancelled as provided in this Section 1.5, except as expressly permitted by this Warrant Agreement. All cancelled Warrant Certif-

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icates held by the Warrant Agent shall be disposed of as directed by the Company.

ARTICLE II

DURATION AND EXERCISE OF WARRANTS

Section 2.1 AMOUNTS; NOTICE OF EXERCISE. Subject to the limitations described herein, each Warrant evidenced by the Global Warrant Certificate may be irrevocably exercised in whole but not in part on any New York Business Day from its date of issuance until 3:00 P.M., New York City time, five New York Business Days prior to _____, 19__ (the "Expiration Date") or until the earlier automatic exercise as provided in Section 2.3. Except in the case of automatic exercise, each Warrant may be exercised by written notice to the Warrant Agent from a Depository Participant acting on behalf of the beneficial owner of such Warrant (each a "Holder"); PROVIDED, HOWEVER, that notices of exercise are subject to rejection by the Warrant Agent as provided herein. Not fewer than [_____] Warrants may be exercised by or on behalf of any one Holder at any one time, except that no such minimum exercise amount shall apply in the case of automatic exercise on the Expiration Date or earlier automatic exercise as provided in Section 2.3. Irrevocable notice of exercise to the Warrant Agent shall be in the form set forth in Exhibit B hereto and shall be sent to the Warrant Agent in writing (which shall include facsimile transmissions) at its address set forth in such form of notice or at such other address as the Warrant Agent may specify from time to time. As used herein, "New York Business Day" means any day other than a Saturday or a Sunday or a day on which commercial banks in the City of New York are required or authorized to be closed. Except as provided in Section 2.2(b), the Warrant Agent shall be entitled to rely conclusively on any notice of exercise received by it with no duty of inquiry by the Warrant Agent.

Section 2.2 EXERCISE AND DELIVERY OF WARRANTS. (a) Except in the case of automatic exercise on the Expiration Date or earlier automatic exercise as provided in Section 2.3 of this Agreement and subject to Section 2.2(b)(i) of this Agreement, the exercise date (the "Exercise Date") for a Warrant shall be

Business Day next succeeding the date on which the Warrant Agent has received written irrevocable notice of exercise in good form at or prior to 3:00 P.M., New York City time; and if the Warrant Agent shall receive such notice of exercise after 3:00 P.M., New York City time, on such date, such notice shall be deemed to have been received at or prior to 3:00 P.M., New York City time, on the next succeeding New York Business Day, and in such event the Exercise Date shall be the second New York Business Day succeeding the date on which the Warrant Agent actually received such notice of exercise. Any notice of exercise received after 3:00 P.M., New York City time, on the fifth New York Business Day preceding the Expiration Date or, if earlier, any Delisting Date (as defined in Section 2.3(a)) shall be void and of no effect and shall be deemed not to have been delivered.

(b) Following receipt of a written irrevocable notice of exercise in good form, the Warrant Agent shall (i) promptly verify that the entity that executed such notice is listed as a Depository Participant in the most recent published edition of the Depository's Eligible Corporate Securities Book (or comparable publication of a successor Depository) and, if such entity is not listed therein, the Warrant Agent shall make reasonable efforts to obtain telephonic verification from the Depository's Planning Department (telephone no. [(212) 709-1000]) (or comparable department of a successor Depository) that such entity is a Depository Participant, and if the Warrant Agent is unable through the above described procedures to verify that such entity is a Depository Participant, the Warrant Agent shall reject the notice of exercise; (ii) notify the Company by 5:00 P.M., New York City time, on the New York Business Day such notice of exercise is received (or deemed to have been received) of the number of Warrants in respect of which exercise notices, not rejected pursuant to clause (i) above, were received after 3:00 P.M., New York City time, the preceding New York Business Day and at or prior to 3:00 P.M., New York City time, on such date; (iii) obtain the Spot Rate (as defined in Section 2.2(f)) and determine the Cash Settlement Value of the exercised Warrants in the manner described in Section 2.2(f); (iv) advise the Company by 5:00 P.M., New York City time, on the Exercise Date of the amount payable in respect of the exercise of such Warrants, and of the Spot Rate and Cash Settlement Value with respect to such Warrants, and send

notice of confirmation of exercise in the form set forth in Exhibit B hereto to such Depository Participant; and (v) promptly deliver a copy of such notice of exercise to the Company and advise the Company of such other matters relating to the exercised Warrants as the Company shall reasonably request. Any notice to be given to the Company by the Warrant Agent pursuant to this Section 2.2 or Section 2.3 shall be by telephone and shall be promptly confirmed in writing. Any notice to be given to the Spot Rate Reference Bank pursuant to this Section 2.2 or Section 2.3 shall be by facsimile transmission to the address of the Spot Rate Reference Bank set forth in Section 6.3.

(c) Provided that the Company has made adequate funds available to the Warrant Agent in a timely manner, which shall, in no event be later than 3:00 P.M., New York City time on the second New York Business Day (the "Settlement Date") following an Exercise Date of Warrants, the Warrant Agent will be responsible for making its payment available to the Depository in the form of a treasurer's check or official bank check, after 3:00 P.M., New York City time, but prior to the close of business, on such Settlement Date, such payment to be in the amount of the aggregate Cash Settlement Value in respect of such exercised Warrants for which delivery has been accepted by the Warrant Agent.

(d) The Warrant Agent shall cause its records, which may be

kept electronically, to be marked to reduce the number of Warrants evidenced by the Global Warrant Certificate, by the number of Warrants delivered to the Warrant Agent's Depository Participant Account (entitled _____), or such other account of the Warrant Agent at the Depository as the Warrant Agent shall designate in writing to the Company (the "Warrant Account"), promptly after such delivery.

(e) If any Depository Participant fails to transfer Warrants with respect to which it delivered a notice of exercise (a "Failed Delivery") by 11:30 A.M., New York City time, on the Settlement Date therefor, the Warrant Agent shall notify the Company (and, if requested by the Company in writing, a designated agent of the Company) of such Failed Delivery and the number of Warrants to which it relates by _____ P.M., New York City time, on such Settlement Date by telephone, promptly

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confirmed in writing by transmitting to the Company (by telecopy or other similar rapid communication system) a copy of the notice of exercise to which such Failed Delivery relates. At such times as the Warrants are evidenced by a Global Warrant Certificate, a Failed Delivery shall be deemed to occur as a result of a failure by a Depository Participant to take any action required to effectuate a transfer of the Warrants on the records of the Depository.

(f) Except as provided in Section 2.3, "Cash Settlement Value" of an exercised Warrant is an amount stated in U.S. dollars which is the greater of (i) zero and (ii) the amount computed by subtracting [from]* [_] from ** an amount equal to _ times a fraction, the numerator of which is the Spot Rate on the Exercise Date and the denominator of which is _____ (the "Strike Price"). The "Spot Rate" on such Exercise Date shall mean the offered spot rate of U.S. dollars for _____ as quoted by (the "Spot Rate Reference Bank") at 10:00 A.M., New York City time, on such date or, if such bank is not quoting such rate at such time, the rate quoted by such other leading bank in the foreign exchange markets as may be selected by the Company in good faith and notified to the Warrant Agent. The Spot Rate shall be calculated to _____ decimal places. References in this Agreement to "U.S. dollars," "U.S. \$" or "\$" are to the currency of the United States of America. References to _____ or _____ are to the currency of _____.

Section 2.3 AUTOMATIC EXERCISE OF THE WARRANTS. (a) All Warrants with respect to which no accepted notice of exercise in good form has been received by the Warrant Agent by 3:00 P.M., New York City time, on the fifth New York Business Day preceding the earliest to occur of (i) the Expiration Date, (ii) the close of business on the New York Business Day on which the Warrants are delisted from the _____ Stock exchange, and (iii) the close of business on the New York Business Day that the Warrants are permanently suspended from trading on the _____ Stock Exchange (the effective date of any such delisting or permanent suspension,

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* In the case of Put Warrants.

** In the case of Call Warrants.

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the "Delisting Date") will be automatically exercised, without any required delivery of notice of exercise from any relevant Depository Participant to the Warrant Agent. Such Expiration Date or Delisting Date, as the case may be, shall be the Exercise Date for such Warrants and the Spot Rate and Cash Settlement Value of such Warrants shall be determined as of the New York

Business Day following such Exercise Date. The Company will advise the Warrant Agent of the date of any executed delisting or permanent suspension of trading of the Warrants as soon as is practicable and will immediately inform the Warrant Agent after the Company has received notice that such delisting or suspension has occurred, but in no event will notice of such delisting or suspension be given to the Warrant Agent later than 5:00 P.M., New York City time, on the New York Business Day preceding the date that such delisting or suspension occurs.

(b) By 5:00 P.M., New York City time, on the fifth New York Business Day preceding the Expiration Date or the Delisting Date, as the case may be, the Warrant Agent shall advise the Company of the number of unexercised Warrants outstanding after 3:00 P.M., New York City time, on such day. The Warrant Agent shall, on the New York Business Day following the Expiration Date or the Delisting Date, as the case may be, (i) obtain the Spot Rate and determine the Cash Settlement Value (in the manner provided in paragraph (f) of Section 2.2, except that the Spot Rate shall be the Spot Rate on the New York Business Day next succeeding the Expiration Date or the Delisting Date, as the case may be) of the unexercised Warrants, (ii) advise the Company of the Spot Rate and the Cash Settlement Value of the unexercised Warrants evidenced by the Global Warrant Certificate, and (iii) advise the Company of such other matters relating to the unexercised Warrants as the Company shall reasonably request. Provided that the Company has made adequate funds available to the Warrant Agent in a timely manner which shall, in no event, be later than 3:00 P.M., New York City time, on the third New York Business Day following the Expiration Date or the Delisting Date, as the case may be, the Warrant Agent will make its treasurer's check or an official bank check available to the Depository against receipt by the Warrant Agent from the Depository of the Global Warrant Certificate on the third New York Business Day following the Expiration Date, such check to be in the amount of the aggregate Cash Settle-

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ment Value in respect of the number of unexercised Warrants evidenced by the Global Warrant Certificate at the close of business on the Expiration Date. The Warrant Agent shall promptly cancel the Global Warrant Certificate following its receipt thereof from the Depository.

(c) The Company will notify the Holders, or will cause the Holders to be notified, as promptly as is practicable of any expected delisting or suspension of trading of the Warrants.

Section 2.4 [COVENANT OF THE COMPANY. The Company covenants, for the benefit of the Holders, that it will not seek the delisting of the Warrants, or suspension of their trading on, the _____ Stock Exchange.]

Section 2.5 RETURN OF GLOBAL WARRANT CERTIFICATE. At such time as all of the Warrants have been exercised, deemed automatically exercised or otherwise cancelled, the Warrant Agent shall return the cancelled Global Warrant Certificate to the Company.

Section 2.6 RETURN OF MONEY HELD UNCLAIMED FOR TWO YEARS. Any money deposited with or paid to the Warrant Agent for the payment of the Cash Settlement Value of any Warrants and not applied but remaining unclaimed for two years after the date upon which such Cash Settlement Value shall have become due and payable, shall be repaid by the Warrant Agent to the Company and the Holder of such Warrants shall thereafter look only to the Company for any payment which such Holder may be entitled to collect and all liability of the Warrant Agent with respect to such money shall thereupon cease; PROVIDED, HOWEVER, that the Warrant Agent before making such repayment, may at the expense of the Company notify the Holders concerned that said money has not been so applied and remains unclaimed and that after a date named therein any unclaimed balance of said money then remaining will be returned to the Company.

Section 2.7 DESIGNATION OF AGENT FOR RECEIPT OF NOTICE. The Company may from time to time designate in writing to the Warrant Agent a

designee for receipt of all notices required to be given by the Warrant Agent pursuant to this Article II and all such notices thereof-

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ter shall be given in the manner herein provided by the Warrant Agent to such designee.

ARTICLE III

OTHER PROVISIONS RELATING TO RIGHTS OF HOLDERS

Section 3.1 HOLDER OF WARRANT MAY ENFORCE RIGHTS.

Notwithstanding any of the provisions of this Agreement, any Holder, without the consent of the Warrant Agent, may, in and for his own behalf, enforce, and may institute and maintain any suit, action or proceeding against the Company suitable to enforce, or otherwise in respect of, his right to exercise, and to receive payment for, his Warrant as provided in the Global Warrant Certificate and in this Agreement.

Section 3.2 MERGER, CONSOLIDATION, SALE, TRANSFER OR CONVEYANCE.

If at any time there shall be a merger, consolidation, sale, transfer, conveyance or other disposition of substantially all of the assets of the Company, then in any such event the successor or assuming corporation shall succeed to and be substituted for the Company, with the same effect as if it had been named herein and in the Warrants as the Company; the Company shall thereupon be relieved of any further obligation hereunder or under the Warrants, and, in the event of any such sale, transfer, conveyance (other than by way of lease) or other disposition, the Company as the predecessor corporation may thereupon or at time thereafter be dissolved, wound up or liquidated. Such successor or assuming corporation thereupon may cause to be signed, and may issue, either in its own name or in the name of the Company, a new Global Warrant Certificate representing the Warrants not theretofore exercised, in exchange and substitution for the Global Warrant Certificate theretofore issued. Such Global Warrant Certificate shall in all respects have the same legal rank and benefit under this Agreement as the Global Warrant Certificate theretofore issued in accordance with the terms of this Agreement as though such new Global Warrant Certificate had been issued at the date of the execution hereof. In any case of any such consolidation, merger, sale, transfer, conveyance or other disposition of substantially all of the assets of the Company, such changes in phraseology and form (but not in substance) may be made

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in the new Global Warrant Certificate as may be appropriate.

The Warrant Agent may receive a written opinion of legal counsel as conclusive evidence that any such consolidation, merger, sale, transfer, conveyance or other disposition of substantially all of the assets of the Company complies with the provisions of this Section 3.2 and that the assumption of this Agreement by the successor or assuming corporation is effective.

ARTICLE IV

CANCELLATION OF WARRANTS

Section 4.1 CANCELLATION OF WARRANTS. In the event the Company shall purchase or otherwise acquire Warrants, such Warrants may, at the option of the Company and upon notification to the Warrant Agent, be surrendered free through a Depository Participant for credit to the Warrant Account and if so credited the Warrant Agent shall promptly note the cancellation of such Warrants by notation on the records of the Warrant Agent.

Section 4.2 TREATMENT OF HOLDERS. The Company, the Warrant Agent and any agent of the Company or the Warrant Agent may deem and treat the person in whose name the Global Warrant Certificate shall be registered in the records of the Warrant Agent as the absolute owner of such Global Warrant Certificate (notwithstanding any notation of ownership or other writing thereon) for any purpose and as the person entitled to exercise the rights represented by the Warrants evidenced hereby, and neither the Company nor the Warrant Agent, nor any agent of the Company or the Warrant Agent shall be affected by any notice to the contrary, except that the Warrant Agent and the Company shall be entitled to rely on and act pursuant to instructions of Depository Participants as contemplated by Article II of this Agreement. This Section 4.2 shall be without prejudice to the rights of Holders as described elsewhere herein.

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ARTICLE V

CONCERNING THE WARRANT AGENT

Section 5.1 WARRANT AGENT. The Company hereby appoints _____ as Warrant Agent of the Company in respect of the Warrants and the Global Warrant Certificate upon the terms and subject to the conditions set forth herein and in the Global Warrant Certificate; and _____ hereby accepts such appointment. The Warrant Agent shall have the powers and authority granted to and conferred upon it in the Global Warrant Certificate and hereby and such further powers and authority acceptable to it to act on behalf of the Company as the Company may hereafter grant to or confer upon it. All of the terms and provisions with respect to such powers and authority contained in the Global Warrant Certificate are subject to and governed by the terms and provisions thereof.

Section 5.2 CONDITIONS OF WARRANT AGENT'S OBLIGATIONS. The Warrant Agent accepts its obligations herein set forth upon the terms and conditions hereof and of the Global Warrant Certificate, including the following, to all of which the Company agrees and to all of which the rights hereunder of the Holders from time to time of the Warrants shall be subject:

(a) The Company agrees promptly to pay the Warrant Agent the compensation to be agreed upon with the Company for all services rendered by the Warrant Agent and to reimburse the Warrant Agent for its reasonable out-of-pocket expenses (including counsel fees and expenses) incurred by the Warrant Agent without negligence, bad faith or breach of this Agreement on its part in connection with the services rendered by it hereunder. The Company also agrees to indemnify the Warrant Agent for, and to hold it harmless against, any loss, liability or expense (including reasonable attorneys' fees and expenses) incurred without negligence, bad faith or breach of this Agreement on the part of the Warrant Agent, arising out of or in connection with its acting as such Warrant Agent hereunder or with respect to the Global Warrant Certificate, as well as the reasonable costs and expenses of defending against any claim of liability in the premises.

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(b) In acting under this Warrant Agreement and in connection with the Global Warrant Certificate, the Warrant Agent is acting solely as agent of the Company and does not assume any obligation or relationship of agency or trust for or with any of the owners or Holders of the Warrants.

(c) The Warrant Agent may consult with counsel satisfactory to it, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with the opinion of such counsel.

(d) The Warrant Agent shall be protected and shall incur no liability for or in respect of any action taken or omitted or anything suffered by it in reliance upon any Global Warrant Certificate, notice, direction, consent, certificate, affidavit, statement or other paper or document reasonably believed by it to be genuine and to have been presented or signed by the proper parties.

(e) The Warrant Agent, and its officers, directors and employees, may become the owner of, or acquire any interest in, any Warrants or other obligations of the Company, with the same rights that it or they would have if it were not the Warrant Agent hereunder, and, to the extent permitted by applicable law, it or they may engage or be interested in any financial or other transaction with the Company and may act on, or as depository, trustee or agent for, any committee or body of Holders of Warrants or other obligations of the Company as freely as if it were not the Warrant Agent hereunder.

(f) The Warrant Agent shall not be under any liability for interest on any monies at any time received by it pursuant to any of the provisions of this Agreement or of the Global Warrant Certificate nor shall it be obligated to segregate such monies from other monies held by it, except as required by law. The Warrant Agent shall not be responsible for advancing funds on behalf of the Company.

(g) The Warrant Agent shall not be under any responsibility with respect to the validity or suffi-

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ciency of this Agreement or the execution and delivery hereof (except the due execution and delivery hereof by the Warrant Agent) or with respect to the validity or execution of the Global Warrant Certificate (except its countersignature thereof).

(h) The recitals contained herein and in the Global Warrant Certificate (except as to the Warrant Agent's countersignature thereon) shall be taken as the statements of the Company, and the Warrant Agent assumes no responsibility for the correctness of the same.

(i) The Warrant Agent shall be obligated to perform only such duties as are herein and in the Global Warrant Certificate specifically set forth and no implied duties or obligations shall be read into this Agreement or the Global Warrant Certificate against the Warrant Agent. The Warrant Agent shall not be under any obligation to take any action hereunder likely to involve it in any expense or liability, the payment of which is not, in its reasonable opinion, assured to it. The Warrant Agent shall not be accountable or under any duty or responsibility for the use by the Company of the Global Warrant Certificate countersigned by the Warrant Agent and delivered by it to the Company pursuant to this Agreement or for the application by the Company of any proceeds. The Warrant Agent shall have no duty or responsibility in case of any default by the Company in the performance of its covenants or agreements contained herein or in the Global Warrant Certificate or in the case of the receipt of any written demand from a Holder of a Warrant with respect to such default, except as provided in Section 6.2 hereof, including, without limiting the generality of the foregoing, any duty or responsibility to initiate or attempt to initiate any proceedings at law or otherwise or to make any demand upon the Company.

(j) Unless herein or in the Global Warrant Certificate otherwise specifically provided, any order, certificate, notice, request, direction or other communication from the Company made or given by the Company under any provision of this Agreement shall be sufficient if signed by its President, Chairman of the Board, officer serving as Chief Financial Officer, Treasurer or any Vice President.

Section 5.3 RESIGNATION AND APPOINTMENT OF SUCCESSOR. (a) The Company agrees, for the benefit of the Holders from time to time of the Warrants, that there shall at all times be a Warrant Agent hereunder until all the Warrants are no longer exercisable.

(b) The Warrant Agent may at any time resign as such agent by giving written notice to the Company of such intention on its part, specifying the date on which its desired resignation shall become effective, subject to the appointment of a successor Warrant Agent, and acceptance of such appointment by such successor Warrant Agent, as hereinafter provided. The Warrant Agent hereunder may be removed at any time by the filing with it of an instrument in writing signed by or on behalf of the Company and specifying such removal and the date when it shall become effective. Such resignation or removal shall take effect upon the appointment by the Company, as hereinafter provided, of a successor Warrant Agent (which shall be a banking institution organized under the laws of the United States of America, or one of the states thereof and having an office or an agent's office [south of Chambers Street] in the Borough of Manhattan, the City of New York) and the acceptance of such appointment by such successor Warrant Agent. In the event a successor Warrant Agent has not been appointed and accepted its duties within 90 days of the Warrant Agent's notice of resignation, the Warrant Agent may apply to any court of competent jurisdiction for the designation of a successor Warrant Agent. The obligation of the Company under Section 5.2(a) shall continue to the extent set forth therein notwithstanding the resignation or removal of the Warrant Agent and shall survive the termination of this Agreement.

(c) In case at any time the Warrant Agent shall resign, or shall be removed, or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or make an assignment for the benefit of its creditors or consent to the appointment of a receiver or custodian of all or any substantial part of its property, or shall admit in writing its inability to pay or meet its debts as they mature, or if a receiver or custodian of it or all or any substantial part of its property shall be appointed, or if any public officer shall have taken charge or control of the Warrant Agent or of its property or affairs, for the purpose of rehabilitation,

conservation or liquidation, a successor Warrant Agent, qualified as aforesaid, shall be appointed by the Company by an instrument in writing, filed with the successor Warrant Agent. Upon the appointment as aforesaid of a successor Warrant Agent and acceptance by the latter of such appointment, the Warrant Agent so superseded shall cease to be Warrant Agent hereunder.

(d) Any successor Warrant Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the Company an instrument accepting such appointment hereunder, and thereupon such successor Warrant Agent, without any further act, deed or conveyance, shall become vested with all the authority, rights, powers, trusts, immunities, duties and obligations of such predecessor with like effect as if originally named as Warrant Agent hereunder, and such predecessor, upon payment of its charges and disbursements then unpaid, shall thereupon become obligated to transfer, deliver and pay over, and such successor Warrant Agent shall be entitled to receive, all monies, securities and other property on deposit with or held by such predecessor, as Warrant Agent hereunder.

(e) Any corporation into which the Warrant Agent hereunder may be merged or converted or any corporation with which the Warrant Agent may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Warrant Agent shall be a party, or any corporation to which the Warrant Agent shall sell or otherwise transfer all or substantially all of the corporate trust business of the Warrant Agent, provided that it shall be qualified as aforesaid, shall be the successor Warrant Agent under this

Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto.

ARTICLE VI

MISCELLANEOUS

Section 6.1 AMENDMENT. (a) This Agreement and the Global Warrant Certificate may be amended by the Company and the Warrant Agent, without the consent of the Holder of the Global Warrant Certificate or the Holders, for the purpose of curing any ambiguity, or of curing,

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correcting or supplementing any defective or inconsistent provision contained herein or therein, for the purpose of appointing a successor Depository in accordance with paragraph (d) of Section 1.1, for the purpose of issuing Warrants in definitive form in accordance with paragraph (a) of Section 1.1, or in any other manner which the Company may deem to be necessary or desirable and which will not materially and adversely affect the interests of the Holders of the Warrants. Notwithstanding anything in this Section 6.1 to the contrary, this Agreement may not be amended to provide for the countersigning by the Warrant Agent of one or more Global Warrant Certificates evidencing in excess of ____ Warrants originally issued.

(b) The Company and the Warrant Agent may modify or amend this Agreement and the Global Warrant Certificate, with the consent of the Holders holding not fewer than a majority in number of the then outstanding unexercised Warrants affected by such modification or amendment, for any purpose; PROVIDED HOWEVER, that no such modification or amendment that increases the Strike Price in the case of a Call warrant, or decreases the Strike Price in the case of a Put Warrant, shortens the period of time during which the Warrants may be exercised, or other wise materially and adversely affects the exercise rights of the Holders or reduces the percentage of the number of outstanding Warrants the consent of the Holders of which is required for modification or amendment of this Agreement or the Global Warrant Certificate may be made without the consent of each Holder affected thereby.

Section 6.2 NOTICES AND DEMANDS TO THE COMPANY AND WARRANT AGENT. If the Warrant Agent shall receive any notice or demand addressed to the Company by any Holder pursuant to the provisions of the Global Warrant Certificate, the Warrant Agent shall promptly forward such notice or demand to the Company.

Section 6.3 ADDRESSES FOR NOTICES. Any communications from the Company to the Warrant Agent with respect to this Agreement shall be addressed to [name of Warrant Agent], [address], New York (facsimile: _____) (telephone: _____), Attention: Corporate Trust Department; any communications from the Warrant Agent to the Company with respect to this Agreement shall be addressed to Snap-on Incorporated, 2801

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80th Street, Kenosha, Wisconsin 53141-1410, Attention: Treasurer (first copy) and Secretary (second copy); and any communications from the Warrant Agent to the Spot Rate Reference Bank with respect to this Agreement shall be addressed to _____, [address], Attention: Corporate Foreign Exchange (facsimile: _____) (telephone: _____), (or such other address as shall be specified in writing by the Warrant Agent, the Company or the Spot Rate Reference Bank, respectively).

Section 6.4 NOTICES TO HOLDERS. The Company or the Warrant Agent may cause to have notice given to the Holders of Warrants by providing the

Depository with a form of notice to be distributed by the Depository to Depository Participants in accordance with the custom and practices of the Depository.

Section 6.5 APPLICABLE LAW. The validity, interpretation and performance of this Agreement and each Warrant issued hereunder and of the respective terms and provisions thereof shall be governed by the laws of the State of New York.

Section 6.6 OBTAINING OF GOVERNMENTAL APPROVALS. The Company will from time to time take all action which may be necessary to obtain and keep effective any and all permits, consents and approvals of governmental agencies and authorities and the _____ Stock Exchange and securities acts filings under United States Federal and State laws, which may be or become requisite in connection with the issuance, sale, trading, transfer or delivery of the Warrants, the Global Warrant Certificate and the exercise of the Warrants.

Section 6.7 PERSONS HAVING RIGHTS UNDER WARRANT AGREEMENT. Nothing in this Agreement expressed or implied and nothing that may be inferred from any of the provisions hereof is intended, or shall be construed, to confer upon, or give to, any person or corporation other than the Company, the Warrant Agent, the registered Holder of the Global Warrant Certificate and the Holders of any right, remedy or claim under or by reason of this Agreement or of any covenant, condition, stipulation, promise or agreement hereof; and all covenants, conditions, stipulations, promises and agreements in this Agreement contained shall be for the sole and exclusive benefit of the Company and the Warrant Agent, the regis-

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tered Holder of the Global Warrant Agent and their successors and of the registered Holder of the Global Warrant Certificate and the Holders.

Section 6.8 HEADINGS. The descriptive headings of the several Articles and Sections of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 6.9 COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original; but such counterparts shall together constitute but one and the same instrument.

Section 6.10 INSPECTION OF AGREEMENT. A copy of this Agreement shall be available at all reasonable times at the principal corporate trust office of the Warrant Agent, for inspection by the registered holder of the Global Warrant Certificate, Depository Participants and Holders.

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IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto as of the day and year first above written.

SNAP-ON INCORPORATED

By: _____

[SEAL]

Attest:

- - - - -
[NAME OF WARRANT AGENT]

By: _____

[SEAL]

Attest:

- - - - -
[Assistant Secretary]

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EXHIBIT A

[FORM OF GLOBAL WARRANT CERTIFICATE]

EXERCISABLE ONLY IF COUNTERSIGNED
BY THE WARRANT AGENT AS PROVIDED HEREIN

No. _____ CUSIP NO. _____

Global Warrant Certificate

representing

up to ____ Currency [Put/Call] Warrants
Expiring _____, 19__

SNAP-ON INCORPORATED

This certifies that [CEDE & Co.] or registered assigns is the registered Holder of _____ Currency [Call/Put] Warrants (the "Warrants") or such lesser amount as is indicated in the records of [name of Warrant Agent], as Warrant Agent. Each Warrant entitles the beneficial owner thereof (a "Holder"), subject to the provisions contained herein and in the Warrant Agreement referred to below, to receive from Snap-on Incorporated (the "Company") the cash settlement value (the "Cash Settlement Value") of the right to [sell/purchase] at a price of U.S. [\$ _____], as further described below. Holders will not be entitled to any interest on any Cash Settlement Value to which they are otherwise entitled (unless the Company shall default in the payment of such Cash Settlement Value). The Warrants may be exercised at or prior to 3:00 P.M., New York City time, on any New York Business Day from their date of issuance until 3:00 P.M., New York City time, on the fifth New York Business Day preceding (i) their expiration on _____, 19__ (the "Expiration Date") or (ii) the date of earlier automatic exercise as further described below and as provided in the Warrant Agreement. Except in the case of automatic exercise, not fewer than [_____] Warrants may be exercised by or on behalf of any one Holder on any one day. Reference herein to "U.S. dollars" or "U.S." are to the currency of the United States of Ameri-

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ca. References to _____ or _____ are to the currency of _____. The term "New York Business Day," as used herein, means any day other than a Saturday or Sunday or a day on which commercial banks in New York City are required or authorized to be closed.

This Global Warrant Certificate is issued under and in accordance with the Warrant Agreement, dated as of _____, 19 ____ (the "Warrant Agreement"), between the Company and the Warrant Agent, and is subject to the terms and provisions contained in the Warrant Agreement, to all of which terms and provisions all beneficial owners of the Warrants evidenced by this Global Warrant Certificate and the Holder of this Global Warrant Certificate consent by acceptance hereof by the Depository (as defined below). Copies of the Warrant Agreement are on file at the principal corporate trust office of the Warrant Agent in New York City. Except as provided in the Warrant Agreement, holders will not be entitled to receive definitive Warrants evidencing their Warrants. Warrant holdings will be held through a depository selected by the Company which initially is The Depository Trust Company (the "Depository," which term, as used herein, includes any successor depository selected by the Company) as further provided in the Warrant Agreement.

Capitalized terms included herein but not defined herein have the meanings assigned thereto in the Warrant Agreement.

The Cash Settlement Value of an exercised Warrant will be an amount stated in U.S. dollars which is the greater of (i) zero and (ii) the amount computed subtracting [from _____] * [_____ from]** an amount equal to times a fraction, the numerator of which is the Spot Rate on the Exercise Date and the denominator of which is _____ (except in the case of automatic exercises as described below). The "Spot Rate" on any date will be the offered spot rate of _____ U.S. dollars for _____ as quoted by _____ at 10:00 A.M., New York City time, on _____

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* In the case of Put Warrants.

** In the case of Call Warrants.

such date or, if such bank is not quoting such rate at such time, the rate quoted by such other leading bank in the foreign exchange markets as may be selected by the Company in good faith and notified to the Warrant Agent.

Subject to the provisions hereof and of the Warrant Agreement, each Warrant shall be deemed to be exercised on the next New York Business Day after the New York Business Day on which the notice of exercise in good form is received by the Warrant Agent at or prior to 3:00 p.m., New York City time, on such date (the "Exercise Date"). If the Warrant Agent receives such notice of exercise after 3:00 P.M., New York City time, on such date, such notice shall be deemed to have been received at or prior to 3:00 P.M., New York City time, on the next New York Business Day, and in such event the Exercise Date shall be the second New York Business Day succeeding the date on which the Warrant Agent actually received such notice. If the notice of exercise is not rejected as provided in the Warrant Agreement, the Warrant Agent will obtain the Spot Rate and determine the Cash Settlement Value of the exercised Warrants in the manner described in the Warrant Agreement. Any notice of exercise received after 3:00 P.M., New York City time, on the fifth New York Business Day preceding the Expiration Date or the date of earlier automatic exercise as further described below and as provided in the Warrant Agreement shall be void and of no effect and shall be deemed not to have been delivered. Provided that the Company has made adequate funds available to the Warrant Agent in a timely manner, the Warrant Agent will be responsible for making its payment available by treasurer's check or official bank check to the Depository on the second New York Business Day following an Exercise Date (the "Settlement Date"), all as provided in the Warrant Agreement, such payment to be in the amount of the aggregate Cash Settlement Value in respect of such exercised Warrants for which

delivery has been accepted by the Warrant Agent. If any Depository Participant fails to transfer by 11:30 A.M., New York City time, on the Settlement Date the Warrants with respect to which it delivered a notice of exercise, such Depository Participant will be liable to the Company as provided in the notice of exercise and be subject to all of the provisions set forth therein and in the Warrant Agreement.

The Warrant Agent will promptly cause its records to be marked to reduce the number of unexercised Warrants evidenced by this Global Warrant Certificate by the number of Warrants transferred to the Warrant Agent's Depository Participant Account (No.____) from time to time.

All Warrants with respect to which no notice of exercise in good form has been received by the Warrant Agent by 3:00 P.M., New York City time, on the fifth New York Business Day preceding the earliest to occur of (i) the Expiration Date, (ii) the close of business on the New York Business Day on which the Warrants are delisted from the _____ Stock Exchange, and (iii) the close of business on the New York Business Day that the Warrants are permanently suspended from trading on the _____ Stock Exchange will be automatically exercised, without any required delivery of notice of exercise from the Depository Participant to the Warrant Agent, in the case of clause (i), as of the Expiration Date, in the case of clause (ii), as of the date of such delisting, and, in the case of clause (iii), as of the date of such suspension. The Cash Settlement Value of such Warrants will be determined as provided above, except that, in the case of clause (i), the Spot Rate shall be the Spot Rate on the New York Business Day next succeeding the Expiration Date and, in the case of clauses (ii) and (iii), the Spot Rate shall be the Spot Rate on the New York Business Day following the date of such delisting or suspension, as the case may be. The Settlement Date with respect to any such automatically exercised Warrants shall be the third New York Business Day following the Expiration Date or the date of such delisting or permanent suspension.

The Company, the Warrant Agent and any agent of the Company or the Warrant Agent may deem and treat the registered owner hereof as the absolute owner of the Warrants evidenced hereby (notwithstanding any notation of ownership or other writing hereon) for any purpose and as the person entitled to exercise the rights represented by the Warrants evidenced hereby, and neither the Company nor the Warrant Agent nor any agent of the Company or the Warrant Agent shall be affected by any notice to the contrary, subject to certain provisions of the Warrant Agreement, except that the Company and the Warrant Agent shall be entitled to rely on and act pursuant to instruc-

tions of Depository Participants as contemplated herein and in the Warrant Agreement.

Subject to the terms of the Warrant Agreement, upon due presentment for registration of transfer of this Global Warrant Certificate at the principal corporate trust office of the Warrant Agent in New York City, the Company shall execute and the Warrant Agent shall countersign and deliver in the name of the designated transferee a new Global Warrant Certificate of like tenor and evidencing a like number of unexercised Warrants as evidenced by this Global Warrant Certificate at the time of such registration of transfer and shall be issued to the designated transferee in exchange for this Global Warrant Certificate, subject to the limitations provided in the Warrant Agreement, without charge.

This Global Warrant Certificate and the Warrant Agreement are subject to amendment as provided in the Warrant Agreement.

This Global Warrant Certificate shall not be valid or obligatory for any purpose until countersigned by the Warrant Agent.

IN WITNESS WHEREOF, the Company has caused this instrument to be
duly executed under its corporate seal.

Dated: _____ , 19__

SNAP-ON INCORPORATED

By:

[SEAL]

Attest

Countersigned on the date above written:

[name of Warrant Agent],
as Warrant Agent

By:
[title]

[FORM OF TRANSFER OF GLOBAL WARRANT CERTIFICATE]

_____, as Warrant Agent
Corporate Trust Department
[address]
(Telex: _____)
(Facsimile: _____)

_____, the registered Holder of the Global
Warrant Certificate representing all unexercised Snap-on Incorporated Currency
[Put/Call] Warrants Expiring _____ , 19__, hereby requests the transfer
of such Global Warrant Certificate to _____ .

Dated: _____ [NAME OF REGISTERED HOLDER]

BY

EXHIBIT B

[FORM OF IRREVOCABLE NOTICE OF EXERCISE]

_____,
as Warrant Agent

[address]

Attention: [Corporate Trust Department]

(Telex:)

(Facsimile:)

Re: Exercise of Snap-on Incorporated Currency
[Put/Call] Warrants Expiring ,
19 ("WARRANTS")

1. We refer to the Warrant Agreement dated as of _____, 19__ (the "Warrant Agreement") between Snap-on Incorporated (the "Company") and [name of Warrant Agent] (the "Warrant Agent"). On behalf of certain clients, each of whom is exercising no fewer than [] Warrants and whose Warrants are held in our name, we hereby irrevocably exercise _____ Warrants (the "Exercised Warrants"). We hereby certify that, at the time this notice is delivered to you, we hold in our name on behalf of each such client a settled position of Warrants in an amount at least equal to the number of Warrants that we are hereby exercising on behalf of such client. We hereby acknowledge that this Irrevocable Notice of Exercise must be received by you by 3:00 P.M., New York City time, on the date hereof in order for the Exercise Date of the Exercised Warrants to be the next succeeding New York Business Day and that if this Irrevocable Notice of Exercise is received by you after 3:00 P.M., New York City time, the Exercise Date of the Exercised Warrants shall be the second succeeding New York Business Day.

2. We hereby certify that we are a participant of [The Depository Trust Company] (the "Depository") with the present right to use and receive its services.

3. We hereby agree to transfer such Warrants by 11:30 A.M., New York City time, on the second New York Business Day following the Exercise Date of the Exercised

Warrants (_____, 19__) (the "Settlement Date") to the Warrant Agent's Participant Account No.____ (the "Warrant Account"). We hereby acknowledge that once we have delivered this Irrevocable Notice of Exercise to you in good form we must transfer the Exercised Warrants by 11:30 A.M., New York City time, on the Settlement Date and, from and after the time this notice is delivered to you, we will not effect any transactions with respect to the Exercised Warrants except for the transfer to the Warrant Account of the Exercised Warrants on the Settlement Date.

4. We understand and agree that if we fail to transfer any of the Exercised Warrants by 11:30 A.M., New York City time, on the Settlement Date: (i) we shall be held liable for any and all damages which may accrue to the Company in accordance with (a) the rules and procedures of the _____ Stock Exchange governing the Warrants, and (b) market custom and usage; (ii) we shall be held liable to our client for, and agree to hold the Company and the Warrant Agent harmless against any liability resulting from, any and all damages which may accrue to such client with respect to such failure; (iii) we will promptly pay to the Company any funds credited to our account in excess of the aggregate Cash Settlement Value of the Exercised Warrants that we fail to transfer to the Warrant Account on the Settlement Date; and (iv) we agree that, at such time as transfer of the Warrants to which this Irrevocable Notice of Exercise relates is made, the Cash Settlement Value for such Warrants will be determined in accordance with the Warrant Agreement as if such Warrants had been timely transferred as required in paragraph 3 above.

Capitalized terms used herein and not defined have the meanings assigned thereto in the Warrant Agreement.

Dated:

, 19__

[NAME OF DEPOSITORY PARTICIPANT]

By:

Authorized Signature

[Address]

Telephone:

Facsimile:

Participant Number:

SNAP-ON INCORPORATED
BYLAWS
AMENDED AND RESTATED

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SNAP-ON INCORPORATED

AMENDED AND RESTATED BYLAWS

ARTICLE I - OFFICES

1.1. REGISTERED OFFICE AND AGENT. The registered office shall be in the City of Wilmington, County of New Castle, State of Delaware, and the name of the resident agent in charge thereof is the Corporation Trust Company of America.

1.2. OTHER OFFICES. The Corporation may have its principal executive office in the City of Kenosha, State of Wisconsin, and may also have offices at such other places as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II - THE STOCKHOLDERS

2.1. PLACE OF MEETINGS. All meetings of the stockholders, whether annual or special, shall be held at the offices of the Corporation in Kenosha, Wisconsin, or at such other place, within or without the State of Delaware, as may be fixed from time to time by the Board of Directors.

2.2. ANNUAL MEETING. An annual meeting of stockholders shall be held on such date and at such time as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting.

2.3. QUORUM. A majority of the outstanding stock entitled to vote, present in person or by proxy duly authorized by the stockholder and filed with the Secretary, shall constitute a quorum at all meetings of the stockholders except as otherwise provided by law, by the Certificate of Incorporation or by these Bylaws. If, however, a majority shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person, or by proxy duly authorized by the stockholder and filed with the Secretary, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting of the place, date, and hour of the adjourned meeting, until a quorum shall be present or represented. At the adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting

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as originally notified. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. The stockholders present at a duly organized meeting may continue to transact business until adjournment notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

2.4. VOTING. When a quorum is present at any meeting, and subject to the provisions of the General Corporation Law of the State of Delaware, the Certificate of Incorporation or these Bylaws in respect of the vote that shall be required for a specific action, the vote of the holders of a majority of the stock having voting power, present in person or represented by proxy duly authorized by the stockholder and filed with the Secretary, shall decide any question brought before the meeting, unless the question is one upon which, by express provision of the statutes or of the Certificate of Incorporation or of these Bylaws, a different vote is required, in which case the express provision shall govern and control the decision of such question. Directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of Directors. Each stockholder shall have one vote for each share of stock having voting power registered in his name on the books of the Corporation, except as otherwise provided in the Certificate of Incorporation.

2.5. PROXIES. At any meeting of the stockholders, every stockholder having the right to vote shall be entitled to vote in person, or by proxy duly authorized and bearing a date not more than three years prior to said meeting, unless the proxy provides for a longer period. Without limiting the manner in

which a stockholder may authorize another person or persons to act for him as proxy, the stockholder may validly grant such authority by:

(a) executing a writing to that effect, which execution may be accomplished by the stockholder or his authorized officer, director, employee or agent signing the writing or causing his signature to be affixed to the writing by any reasonable means including, but not limited to, by facsimile signature; or (b) transmitting or authorizing the transmission of a telegram, cablegram, or other means of electronic transmission to the person who will be the holder of the proxy or to a proxy solicitation firm, proxy support service organization or like agent duly authorized by the person who will be the holder of the proxy to receive such transmission, provided that any telegram, cablegram or other means of electronic transmission must either set forth or be submitted with information from which it can be determined that the telegram, cablegram or other electronic transmission was authorized by the stockholder. If it is determined that any telegram, cablegram or other electronic transmission submitted pursuant to clause (b) above is valid, the inspectors shall specify the information upon which they relied. Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission created pursuant to the preceding sentence may be substituted or used in lieu of the original writing or transmission for any and all purposes for

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which the original writing or transmission could be used, provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission.

2.6. LIST OF STOCKHOLDERS. A complete list of the stockholders entitled to vote at each meeting of stockholders, arranged in alphabetical order, with the address of each as shown on the records of the Corporation, and the number of voting shares registered in the name of each in the records of the Corporation, shall be prepared by the Secretary and kept, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified at the place where the meeting is to be held for a period of at least ten (10) days prior to the meeting. During the ten (10) day period, during the usual business hours, and during the meeting, the list shall be open to the examination of any stockholder.

2.7. SPECIAL MEETINGS. Special meetings of stockholders, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the Chief Executive Officer, and shall be called by the Chief Executive Officer or Secretary at the request in writing of a majority of the members of the Board of Directors. Such request shall state the purpose or purposes of the proposed meeting.

2.8. NOTICE OF MEETINGS. Written notice of each meeting of stockholders, stating the date, time and place, and in the case of a special meeting the object thereof, shall be mailed, postage prepaid, not less than ten (10) nor more than sixty (60) days before the meeting, to each stockholder entitled to vote thereat, at the address of the stockholder which appears on the books of the Corporation.

2.9. STOCKHOLDER NOMINATIONS AND PROPOSALS.

(a) At any meeting of stockholders, no business shall be conducted which has not been properly brought before the meeting. To be properly brought before a meeting, business must be (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (ii) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (iii) otherwise properly brought before the meeting by a

stockholder.

(b) For stockholder nominations and/or proposals to be properly brought before a meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder's notice must be delivered to, or mailed and received at, the principal executive offices of the Corporation not less than sixty (60) days nor more than ninety (90) days prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the annual

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meeting is called for a date that is not within thirty (30) days before or after such anniversary date, notice by the stockholder in order to be timely must so be received not later than the close of business on the tenth day following the day on which the notice of the date of the meeting was mailed or public disclosure was made, which ever first occurs.

(c) In the case of stockholder nominations for election to the Board of Directors, the notice shall set forth (i) the name, age, business address and, if known, residence address of each nominee proposed in the notice, (ii) the principal occupations or employment of each nominee for the past five (5) years, (iii) the number of shares of the Corporation which are beneficially owned by each nominee, (iv) other directorships held by each nominee, (v) the names of business entities of which each nominee owns a ten percent (10%) or more beneficial interest and (vi) all other information with respect to each nominee as is required by the Federal proxy rules in effect at the time such notice is submitted. In addition, the notice shall be accompanied by a statement, over the signature of each proposed nominee, that the nominee consents to being a nominee and that if elected intends to serve as a Director, and confirming the information with respect to him set forth in the notice.

(d) In the case of stockholder proposals, the notice shall set forth (i) a brief description of the proposal or business desired to be brought before the meeting and the reasons for conducting such business at the meeting, (ii) the name, age, business and residence address of the stockholder submitting the proposal, (iii) the principal occupation or employment of such stockholder, (iv) the number of shares of the Corporation which are beneficially owned by such stockholder and (v) any material interest of the stockholder in such proposal. The Chairman of the Board of Directors shall, if the facts warrant, determine and declare to the meeting that a proposal was not properly brought before the meeting in accordance with the provisions of this Section 2.9, and if he should so determine, and any proposal not properly brought before the meeting shall not be transacted. Notwithstanding anything in these Bylaws to the contrary, no business shall be conducted at any meeting except in accordance with the procedures set forth in this Section 2.9.

2.10. VOTING PROCEDURES AND INSPECTORS OF ELECTIONS.

(a) The Corporation, by action of the Secretary, shall, in advance of any meeting of stockholders, appoint one or more inspectors to act at the meeting and make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the

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meeting. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his ability.

(b) The inspectors shall (i) ascertain the number of shares outstanding and the voting power of each, (ii) determine the shares represented at a meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify their determination of the number of shares represented at the meeting, and their count of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of the duties of the inspectors.

(c) The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting. No ballot, proxies or votes, nor any revocations thereof or changes thereto, shall be accepted by the inspectors after the closing of the polls unless the Court of Chancery upon application by a stockholder shall determine otherwise.

(d) In determining the validity and counting of proxies and ballots, the inspectors shall be limited to an examination of the proxies, any envelopes submitted with those proxies, any information provided in accordance with clause (b) of Section 2.5 of these Bylaws, ballots and the regular books and records of the Corporation, except that the inspectors may consider other reliable information for the limited purpose of reconciling proxies and ballots submitted by or on behalf of banks, brokers, their nominees or similar persons which represent more votes than the holder of a proxy is authorized by the record owner to cast or more votes than the stockholder holds of record. If the inspectors consider other reliable information for the limited purpose permitted herein, the inspectors at the time they make their certification pursuant to subsection (b)(v) of this Section shall specify the specific information considered by them including the person or persons from whom they obtained the information, when the information was obtained, the means by which the information was obtained and the basis for the inspectors' belief that the information is accurate and reliable.

ARTICLE III - THE BOARD OF DIRECTORS

3.1. POWERS, NUMBER AND CLASSIFICATION OF DIRECTORS. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors, which may exercise all such powers of the Corporation and do all such acts and things as are not prohibited

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by the General Corporation Law of the State of Delaware nor by the Certificate of Incorporation nor by these Bylaws directed or required to be exercised or done by the stockholders. The number of Directors of the Corporation shall not be less than five (5) or more than fifteen (15) and such number may be fixed from time to time by a majority vote of the Directors then in office. The Board of Directors shall be divided into three classes as nearly equal in number as may be, with the term of office of one class expiring each year. When the number of Directors is changed, any increase or decrease in directorships shall be apportioned among the classes at the next annual meeting of stockholders so as to make all classes as nearly equal in number as possible. Subject to the foregoing, at each annual meeting of stockholders the successors to the class of

Directors whose term shall then expire shall be elected to hold office for a term expiring at the third succeeding annual meeting, and each Director shall be elected to serve until his successor shall be elected and shall qualify.

3.2. VACANCIES. If the office of any Director or Directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office, creation of a new directorship, or otherwise, a majority of the remaining Directors, though less than a quorum, shall choose a successor or successors, or a Director to fill the newly created directorship. In no event shall the shareholders have the right to fill such vacancies.

3.3. PLACE OF MEETINGS. The Directors may hold their meetings either outside of Delaware or at the office of the Corporation in the City of Kenosha, State of Wisconsin, or at such other places as they may from time to time determine.

3.4. REGULAR MEETINGS. There shall be five (5) regular meetings of the Board of Directors in each year, the first to be held, without other notice than this Bylaw, immediately following and at the same place as the annual meeting of stockholders. Subsequent regular meetings of the Board of Directors shall be held on the fourth Fridays of June, August, October, January and on the date of the annual meeting of stockholders, or at such other times as are prescribed by the Board of Directors. Notice of additional regular meetings, unless waived, shall be given by mail, telegram, telecopier, telex, telephone or in person to each Director, at his address as the same may appear on the records of the Corporation, or in the absence of such address, at his residence or usual place of business, at least three (3) days before the day on which the meeting is to be held.

3.5. SPECIAL MEETINGS. Special meetings of the Board of Directors may be held any time on the call of the Chief Executive Officer or at the request in writing of a majority of the members of the Board of Directors then in office. Notice of each special meeting, unless waived, shall be given by mail, telegram, telecopier, telex, telephone or in person to each Director at his address as the same appears on the records of the Corporation not less than one day prior to the day on which the meeting is to be held if the notice is by telegram, telecopier, telex, telephone or in person, and not less than two days prior to the day on which the meeting

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is to be held if the notice is by mail; provided, however, that for purposes of dealing with an emergency situation, as conclusively determined by the Officer or Directors calling the meeting, notice may be given not less than two hours prior to the meeting. Notice of any special meeting need not state the purpose thereof. If the Secretary shall fail or refuse to give such notice, then the notice may be given by the Officer or any one of the Directors making the call. Attendance at any meeting of the Board of Directors shall constitute waiver of notice thereof unless the Director attends the meeting for the express purpose of objecting, and the Director objects at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

3.6. QUORUM; VOTING. At all meetings of the Board, a majority of the total number of Directors then fixed pursuant to Section 3.1 of these Bylaws shall be necessary and sufficient to constitute a quorum for the transaction of business, and the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by the Certificate of Incorporation or by these Bylaws. In the absence of a quorum, a majority of the Directors present may adjourn the meeting from time to time until a quorum shall be present. Notice of any adjourned meeting need not be given, except that notice shall be given to all Directors if the adjournment is for more than thirty (30) days.

3.7. QUORUM DURING EMERGENCY. During any emergency period following a national catastrophe, due to enemy attack, a majority of the surviving members

of the Board, but in any case not less than five, who have not been rendered incapable of acting due to physical or mental incapacity or due to the difficulty of transportation to the place of the meeting shall constitute a quorum for the purpose of filling vacancies in the Board of Directors and among the elected and appointed Officers of the Corporation.

3.8. INFORMAL ACTION. Any action required or permitted to be taken at any meeting of the Board of Directors or any Committee thereof may be taken without a meeting, if a written consent to such action is signed by all members of the Board or of such Committee, as the case may be, and such written consent is filed with the minutes of proceedings of the Board or Committee.

3.9. MEETING BY TELEPHONE. Members of the Board of Directors, or any Committee designated by the Board, may participate in a meeting of the Board or Committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this section shall constitute presence in person at the meeting.

3.10. COMPENSATION. Directors, as such, may receive compensation for their services and/or such fixed sums and expenses of attendance for attendance at each regular or special meeting of the Board of Directors as may be established by resolution of the Board; provided that nothing herein contained shall be construed to preclude any Director from serving the

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Corporation in any other capacity and receiving compensation therefor. Members of Committees may be allowed like compensation for attending Committee meetings. The Board Affairs and Nominating Committee shall annually recommend to the Board of Directors the appropriate compensation for the members of the Board of Directors.

3.11. COMMITTEES. Based upon the recommendations of the Board Affairs and Nominating Committee, the Board of Directors may, by resolution or resolutions passed by a majority of the total number of Directors then fixed pursuant to Section 3.1 of these Bylaws, designate one or more Committees, each Committee to consist of one or more of the Directors of the Corporation, which Committees, to the extent provided in said resolution or resolutions, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Corporation between meetings of the Board of Directors. The members and the Chairman of each Committee shall be appointed, and may be removed at any time, by resolution adopted by a majority of the total number of Directors then fixed pursuant to Section 3.1 of these Bylaws. No such Committee shall have the power or authority to authorize amending the Certificate of Incorporation, adopt an agreement of merger or consolidation, recommend to the stockholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets, recommend to the stockholders a dissolution of the Corporation or a revocation of a dissolution, or amend the Bylaws of the Corporation; and, unless the resolution, Bylaws, or Certificate of Incorporation expressly so provide, no Committee shall have the power or authority to declare a dividend or to authorize the issuance of stock. Such Committee or Committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors. Each Committee shall keep minutes of its proceedings, and shall report to the Board of Directors when required by the Board.

ARTICLE IV - OFFICERS

4.1. ELECTION AND REMOVAL OF CHAIRMAN OF THE BOARD OF DIRECTORS. At the regular meeting of the Directors held after the annual stockholders' meeting in each year, one of the Directors shall be elected to be the Chairman of the Board of Directors, which person may be removed from this position at any time by a majority vote of the total number of Directors then fixed pursuant to Section 3.1 of these Bylaws whenever in their judgment the best interests of the

Corporation will be served by such action.

4.2. DUTIES OF THE CHAIRMAN OF THE BOARD OF DIRECTORS. The Chairman of the Board of Directors shall preside at all meetings of the stockholders and of the Directors. If he is also the Chief Executive Officer, he shall carry out those duties as designated herein. If he is not the Chief Executive Officer, he shall have no authority for the management and control of the business and affairs of the Corporation other than in his capacity as a Director.

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4.3. OFFICERS. As contained within these Bylaws, except as otherwise provided for, all references to "Officers" shall apply to both Elected and Appointed Officers. The Elected Officers of the Corporation shall be a President, a Chief Executive Officer, a Chief Operating Officer, one or more Senior or Executive Vice Presidents, a Secretary, a Treasurer, a Controller, a Chief Financial Officer, a Vice President - Information Services and a Vice President - Human Resources. These Officers, and any other Officers which the Directors deem should be elected, shall be elected by the Directors at the regular meeting of the Board held after the annual stockholders' meeting in each year and at such other times as new elected offices are created by the Chief Executive Officer or vacancies in such elected offices must be filled. All other Officers of the Corporation shall be appointed by the Chief Executive Officer, as such appointed offices are deemed necessary by the Chief Executive Officer. Any two or more offices may be held by the same person.

4.4. REMOVAL. Any Officer elected by the Directors may be removed from office at any time by a majority vote of the total number of Directors then fixed pursuant to Section 3.1 of these Bylaws whenever in their judgment the best interests of the Corporation will be served by such action. Any appointed Officer may be removed at any time by the Chief Executive Officer.

4.5. DESIGNATION OF CHIEF EXECUTIVE OFFICER AND CHIEF OPERATING OFFICER. The Directors may, but need not, designate the Chairman of the Board of Directors as the Chief Executive Officer. The Directors shall designate the President as either the Chief Executive Officer or the Chief Operating Officer. The Directors may, but need not, designate an Executive Vice President as the Chief Operating Officer. These designations of duties may be changed at any time by a majority vote of the total number of Directors then fixed pursuant to Section 3.1 of these Bylaws whenever in their judgment the best interests of the Corporation will be served by such action.

4.6. CHIEF EXECUTIVE OFFICER. The Chief Executive Officer shall manage and control the overall business and affairs of the Corporation and ensure that the orders and resolutions of the Directors are carried into effect. He shall have the authority to represent and act for the Corporation, to sign documents binding the Corporation in all matters except those reserved to the Directors, to authorize other Officers designated by him to represent, act and sign for the Corporation and to assign to the other Officers the authority for the management and control of such business and affairs of the Corporation as he may designate. If the Chief Executive Officer is not a member of the Board of Directors, he shall be, EX OFFICIO, a member of all Committees of the Board of Directors not exercising powers of the Board other than the Audit Committee and Organization & Executive Compensation Committee and shall have all the same rights and duties, except the right to vote, as have all members of the Committee. If he is a Director he shall be, EX OFFICIO, a member of all Committees of the Board of Directors exercising powers of the Board other than the Audit Committee and Organization & Executive Compensation Committee, and shall have all the same rights and duties, including the right to vote, as have all members of the Committees. The Chief Executive Officer may review pertinent director

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compensation survey data and report these results to the Board Affairs and Nominating Committee.

4.7. CHIEF OPERATING OFFICER. The Chief Operating Officer shall have authority for the management and control of such business and affairs of the Corporation as shall be assigned by the Chief Executive Officer or the Board of Directors. In the event of the absence or disability of the Chief Executive Officer, he shall perform those duties as designated herein of the Chief Executive Officer.

4.8. PRESIDENT. The President shall perform the duties as designated herein of the Chief Executive Officer or the Chief Operating Officer. In the absence of the Chairman of the Board of Directors he shall preside at all meetings of the stockholders and the Directors.

4.9. EXECUTIVE VICE PRESIDENTS. Executive Vice Presidents shall have authority for the management and control of such business and affairs of the Corporation as shall be assigned by the Chief Executive Officer or the Board of Directors. If an Executive Vice President is the appointed Chief Operating Officer, he shall perform those duties as designated herein. In the absence or disability of the Chief Executive Officer and of the Chief Operating Officer, an Executive Vice President designated by the Chief Executive Officer or the Board of Directors shall perform the duties as designated herein of the Chief Executive Officer.

4.10. SENIOR VICE PRESIDENTS. Senior Vice Presidents shall have authority for the management and control of such business and affairs of the Corporation as shall be assigned by the Chief Executive Officer or the Board of Directors. In the event that there is no individual currently holding such office of the Chief Executive Officer, of the Chief Operating Officer, or of the Executive Vice President, or in the event that such individual is absent or disabled, a Senior Vice President designated by the Chief Executive Officer or the Board of Directors shall perform the duties as designated herein of the Chief Executive Officer.

4.12. CHIEF FINANCIAL OFFICER. The Chief Financial Officer shall be an Elected Officer and shall have the authority for the management and control of such business and affairs as shall be assigned by the Chief Executive Officer or the Board of Directors.

4.13. ELECTED VICE PRESIDENTS. The Elected Vice Presidents shall have authority for the management and control of such business and affairs of the Corporation as shall be assigned by the Chief Executive Officer or the Board of Directors.

4.14. APPOINTED OFFICERS. Appointed Officers shall have authority for the management and control of such business and affairs of the Corporation as shall be assigned by the Chief Executive Officer.

4.15. SECRETARY. The Secretary shall attend all sessions of the Board and all meetings of the stockholders and record all votes and the minutes of all proceedings in a book to be kept

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for that purpose; and shall perform like duties for the standing Committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and of the Board of Directors, and shall perform such other duties as from time to time may be prescribed by the Board of Directors or the Chief Executive Officer of the Corporation. The Secretary shall keep in safe custody the Seal of the Corporation, and when authorized by the Board, affix it to any instrument requiring it.

4.16. TREASURER. The Treasurer shall:

- (a) have the custody of the corporate funds and securities and shall keep or cause to be kept full and accurate accounts of the financial affairs of the Corporation;
- (b) deposit or cause to be deposited all moneys and other valuable

effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors;

(c) disburse or cause to be disbursed the funds of the Corporation as may be ordered by the Board of Directors;

(d) render to the Chief Executive Officer and Directors, at the regular meetings of the Board or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Corporation;

(e) give the Corporation a bond, if required by the Board of Directors, in a sum and with one or more sureties satisfactory to the Board, for the faithful performance of the duties of his office; and

(f) perform all the duties incident to the office of Treasurer and such other duties as from time to time may be prescribed by the Board of Directors or by the Chief Executive Officer of the Corporation.

4.17. CONTROLLER. The Controller shall maintain proper audit control over the operations of the Corporation and be generally responsible for the accounting system employed by the Corporation and the accounting practices adopted by the various departments; he shall direct the budgetary control, general accounting, cost accounting and statistical activities of the Corporation; and he shall supervise activities in connection with credits and collections, taxes and physical inventories. The Controller shall prepare and furnish such reports and statements showing the financial condition of the Corporation as shall be required of him by the Chief Executive Officer or the Board of Directors, and shall perform such other duties as the Chief Executive Officer or the Board of Directors shall prescribe.

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4.18. DELEGATION OF DUTIES. In the case of the absence, incapacity, or inability to serve of any Elected Officer of the Corporation, the Board may delegate, for so long as may be necessary, the powers or duties, or any of them, of the Elected Officer to any other Elected Officer, or to any Director provided a majority of the total number of Directors then fixed pursuant to Section 3.1 of these Bylaws concurs therein. In the case of the absence, incapacity, or inability to serve of any Appointed Officers of the Corporation, the Chief Executive Officer may delegate, for so long as may be necessary, the powers or duties, or any of them, of that appointed Officer to any Elected or Appointed Officer.

4.19. COMPENSATION. The compensation, if any, of the Chairman of the Board of Directors, the President, the Chief Executive Officer and the Chief Operating Officer shall be fixed by the Directors after reviewing the recommendations of the Organization and Executive Compensation Committee. The compensation of all other Officers shall be fixed by Organization and Executive Compensation Committee in consultation with the Chief Executive Officer.

4.20. BONDS. If the Board of Directors or the Chief Executive Officer shall so require, any Officer or agent of the Corporation shall give bond to the Corporation in such amount and with such surety as the Board of Directors or the Chief Executive Officer, as the case may be, may deem sufficient, conditioned upon the faithful performance of their respective duties and offices.

ARTICLE V - CERTIFICATES OF STOCK AND THEIR TRANSFER

5.1. REGULATION. Subject to the terms of any contract of the Corporation, the Board of Directors may make such rules and regulations as it may deem expedient concerning the issue, transfer and registration of certificates for shares of stock of the Corporation, including the issuance of

new certificates for lost or destroyed certificates, and including the appointment of transfer agents and registrars.

5.2. FORM OF CERTIFICATES. The certificates of stock of the Corporation shall be numbered and shall be entered in the books of the Corporation as they are issued. They shall exhibit the holder's name and number of shares and shall be signed by the Chairman of the Board, the President or an Elected or Appointed Vice President, and the Treasurer, or the Secretary. If the Corporation has a transfer agent or an assistant transfer agent or a transfer clerk acting on its behalf and a registrar, the signature of any officer may be facsimile. Facsimile signatures may be of the Officers of the Corporation designated above who are Officers at the time of the issuance of the certificates or who were such at the time of the printing or engraving of the certificates whether or not the person has continued to hold that office. The designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations, or restrictions of the

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preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate which the Corporation shall issue to represent the class or series of stock, provided that, except as provided to the contrary by the General Corporation Law of the State of Delaware, in lieu of the foregoing requirements there may be set forth on the certificate a statement that the Corporation will furnish without charge to each stockholder who so requests the preferences and rights and qualifications, limitations or restrictions.

5.3. TRANSFER OF CERTIFICATES. Shares of the capital stock of the Corporation shall be transferable on the books of the Corporation by the holder thereof in person or by his duly authorized attorney, upon the surrender or cancellation of a certificate or certificates for a like number of shares. As against the Corporation, a transfer of shares can be made only on the books of the Corporation and in the manner hereinabove provided, and the Corporation shall be entitled to treat the registered holder of any share as the owner thereof and shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person, whether or not it shall have express or other notice thereof, save expressly provided by the statutes of the State of Delaware.

5.4. RECORD DATE.

(a) If no record date is fixed pursuant to Section 5.6 of these Bylaws, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. Any stockholder of record seeking to have the stockholders authorize or take corporate action by written consent shall, by written notice to the Secretary, request the Board of Directors to fix a record date. The Board of Directors shall promptly, but in all events within ten (10) days after the date on which such a request is received, adopt a resolution fixing the record date. If no record date has been fixed by the Board of Directors within ten (10) days of the date on which such a request

is received, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by

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the Board of Directors is required by applicable law, shall be the first date thereafter on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of stockholders meetings are recorded, to the attention of the Secretary of the Corporation. Delivery shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by applicable law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the date on which the Board of Directors adopts the resolution taking such prior action.

5.5. LOST OR DESTROYED CERTIFICATES. Any person claiming a certificate of stock to be lost or destroyed shall make an affidavit or affirmation of that fact and advertise the same in such manner as the Board of Directors may require, and the Board of Directors may, in its discretion, require the owner of the lost or destroyed certificate or his legal representative to give the Corporation a bond, in such sum as it may direct, not exceeding double the value of the stock, to indemnify the Corporation against any claim that may be made against it on account of the alleged loss of any such certificate; a new certificate of the same tenor and for the same number of shares as the one alleged to be lost or destroyed may be issued without requiring any bond when, in the judgment of the Directors, it is proper to do so.

5.6. STOCK TRANSFER BOOKS; RECORD DATE. The Board of Directors shall have power to close the stock transfer books of the Corporation for a period not exceeding sixty (60) days preceding the date of any meeting of stockholders or the date for payment of any dividend or the date for the allotment of rights or the date when any change or conversion or exchange of capital stock shall go into effect provided, however, that in lieu of closing the stock transfer books as aforesaid the Board of Directors may by resolution fix a date, not preceding the date of the resolution, not more than sixty (60) nor less than ten (10) days preceding the date of any meeting of stockholders or not more than sixty (60) days preceding the date for the payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stock shall go into effect, as a record date for the determination of the stockholders entitled to notice of, and to vote at, any such meeting, or entitled to receive payment of any such dividend, or to any such allotment of rights, or to exercise the rights in respect of any such change, conversion or exchange of capital stock, and in such case such stockholders of record on the date so fixed shall be entitled to such notice of, and to vote at such meeting, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, as the case may be, notwithstanding any transfer of any stock on the books of the Corporation after any such record date fixed as aforesaid.

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5.7. CONSENT OF STOCKHOLDERS IN LIEU OF MEETING. In the event of the delivery to the Corporation of a written consent or consents purporting to authorize or take corporate action and/or related revocations (each such written consent and any revocation thereof is referred to in this Section 5.7 as a "Consent"), the Secretary of the Corporation shall provide for the safekeeping of such Consents and shall as soon as practicable thereafter conduct such reasonable investigation as he or she deems necessary or appropriate for the

purpose of ascertaining the validity of such Consents and all matters incident thereto, including, without limitation, whether the holders of shares having the requisite voting power to authorize or take the action specified in the Consents have given consent; provided, however, that if the corporate action to which the Consents relate is the removal or election of one or more members of the Board of Directors, the Secretary of the Corporation shall designate an independent, qualified inspector with respect to such Consents and such inspector shall discharge the functions of the Secretary of the Corporation under this Section 5.7. If after such investigation the Secretary or the inspector (as the case may be) shall determine that any action purportedly taken by such Consents has been validly taken, that fact shall be certified on the records of the Corporation kept for the purpose of recording the proceedings of meetings of the stockholders and the Consents shall be filed with such records. In conducting the investigation required by this Section 5.7, the Secretary or the inspector may, at the expense of the Corporation, retain to assist them special legal counsel and any other necessary or appropriate professional advisors, and such other personnel as they may deem necessary or appropriate.

ARTICLE VI - BOOKS AND ACCOUNTS

6.1. LOCATION. The books, accounts, and records of the Corporation may be kept at such place or places within or without the State of Delaware as the Board of Directors may from time to time determine.

6.2. INSPECTION. The books, accounts, and records of the Corporation shall be open to inspection by any member of the Board of Directors during usual business hours for any purpose reasonably related to the Director's position as a Director; and open to inspection by the stockholders at such times, and subject to such regulations, as the Board of Directors may prescribe, except as otherwise provided by statute.

ARTICLE VII - CHECKS, NOTES, CONTRACTS, ETC.

7.1. CHECKS; NOTES. All checks or demands for money and notes of the Corporation shall be signed by such Officer or Officers or such other person or persons as the Board of Directors may from time to time designate.

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7.2. EXECUTION OF CORPORATE CONTRACTS. Except as otherwise provided by the Board of Directors or the Executive Committee, all contracts of the corporation shall be executed on its behalf by the President, an Elected or Appointed Vice President or such other person or persons as the President or Vice President may from time to time authorize so to do. Whenever the Board of Directors or the Executive Committee shall provide that any contract be executed or any other act be done in any other manner and by any other officer or agent than as specified in the Bylaws, such method or execution or action shall be as equally effective to bind the Corporation as if specified herein.

ARTICLE VIII - MISCELLANEOUS

8.1. FISCAL YEAR. The fiscal year shall end on the Saturday nearest December 31.

8.2. CORPORATE SEAL. The Corporate Seal shall have inscribed thereon the name of the Corporation, and the words "Corporate Seal, Delaware." Said Seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

8.3. NOTICE. Any notice required to be given under the provisions of

these Bylaws to any Director, Officer or stockholder may be given in writing, by depositing the same in the United States mail, postage pre-paid, addressed to the stockholder, Officer or Director at his or her address appearing on the books of the Corporation, and the notice shall be deemed to be given at the time when so mailed; provided that no notice need be given to any stockholder to whom (i) notice of two consecutive annual meetings, and all notices of meetings or of the taking of action by written consent without a meeting to such person during the period between the two (2) consecutive annual meetings, or (ii) all, and at least two, payments (if sent by first class mail) of dividends during a twelve (12) month period, have been mailed addressed to such stockholder at his address as shown on the records of the Corporation and have been returned undeliverable.

8.4. WAIVER OF NOTICE. Any stockholder, Director or Officer may waive any notice required to be given under these Bylaws, in writing signed by the person entitled to notice, either before or after the meeting.

8.5. VOTING OF STOCK IN OTHER CORPORATIONS. Any shares of stock in any other corporation which may from time to time be held by this Corporation may be represented and voted at any meeting of shareholders of such corporation by the Chief Executive Officer or an Elected or Appointed Vice President, or by any other person or persons thereunto authorized by the Board of Directors, or by any proxy designated by written instrument of appointment executed in the name of this Corporation by its Chief Executive Officer or an Elected or Appointed Vice President. Shares of stock belonging to the Corporation need not stand in the name of the Corporation, but may be held for the benefit of the Corporation in the individual

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name of the Treasurer or of any other nominee designated for the purpose by the Board of Directors. Certificates for shares so held for the benefit of the Corporation shall be endorsed in blank or have proper stock powers attached so that said certificates are at all times in due form for transfer, and shall be held for safekeeping in such manner as shall be determined from time to time by the Board of Directors.

ARTICLE IX - INDEMNIFICATION

9.1. ELIGIBILITY; EXPENSES. Each director and officer of the Corporation (collectively, the "Indemnitees") who was or is a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he, or a person of whom he is the legal representative, is or was a Director or Officer of the Corporation or is or was serving at the request of the Corporation as a Director, Officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, shall be indemnified and held harmless by the Corporation to the fullest extent permitted by the laws of Delaware against all costs, charges, expenses, liabilities and losses (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such Indemnitees in connection therewith. The right to indemnification conferred in this Section shall be a contract right. Each Indemnitee shall have the right to be paid by the Corporation the expenses incurred in defending any such proceeding, except the amount of any settlement, in advance of such proceeding's final disposition upon receipt by the Corporation of an undertaking, by or on behalf of such Indemnitee, to repay all amounts so advanced if it shall ultimately be determined that the Indemnitee is not entitled to be indemnified under this Section or otherwise. The Corporation may, by action of its Board of Directors, indemnify and hold harmless employees and agents of the Corporation to the fullest extent permitted by the laws of Delaware against all costs, charges, expenses, liabilities and losses (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such employees and agents in connection therewith. The Corporation may pay expenses

of any employee or agent of the Corporation incurred in defending any such proceeding, except the amount of any settlement, in advance of such proceeding's final disposition upon such terms and conditions, if any, as the Board of Directors of the Corporation deems appropriate.

9.2. SUIT TO COLLECT. If a claim under Section 9.1 above is not paid in full by the Corporation within thirty (30) days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall also be entitled to be paid the expense of prosecuting such claim. It shall be a defense to any action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in

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advance of its final disposition where the required undertaking has been tendered to the Corporation) that the claimant has failed to meet a standard of conduct which makes it permissible under Delaware law for the Corporation to indemnify the claimant for the amount claimed. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is permissible in the circumstances because he has met such standard of conduct, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the claimant has not met such standard of conduct, nor the termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall be a defense to the action or create a presumption that the claimant has failed to meet the required standard of conduct.

9.3. NONEXCLUSIVITY OF RIGHTS. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in these Bylaws shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, Bylaw, agreement, vote of stockholders or disinterested Directors or otherwise.

9.4. INSURANCE. The Corporation may maintain insurance, at its expense, to protect itself and any Director, Officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under Delaware law.

9.5. EXPENSES AS A WITNESS. To the extent that any Director, Officer, employee or agent of the Corporation is by reason of such position, or a position with another entity at the request of the Corporation, a witness in any proceeding, he shall be indemnified against all costs and expenses actually and reasonably incurred by him or on his behalf in connection therewith.

9.6. INDEMNITY AGREEMENTS. The Corporation may enter into indemnity agreements with the persons who are members of its Board of Directors from time to time, and with such Officers, employees and agents as the Board may designate, providing in substance that the Corporation shall indemnify such persons to the fullest extent permitted by Delaware law.

9.7. CONTINUATION OF RIGHTS. The indemnification and advancement of expenses provided by this Article IX shall continue as to a person who has ceased to be a Director, Officer, employee or agent of the Corporation and shall inure to the benefit of the heirs, executors and administrators of such a person.

9.8. AMENDMENT. Any amendment, repeal or modification of any provision of this Article IX by the stockholders or the Directors of the Corporation shall not adversely affect any right or protection of a Director or Officer of the Corporation existing at the time of such amendment, repeal or modification.

ARTICLE X - AMENDMENT OF BYLAWS

10.1. AMENDMENT. The Board of Directors, by affirmative vote of a majority of the total number of Directors then fixed pursuant to Section 3.1 of these Bylaws, may adopt, amend, or repeal these Bylaws at any meeting, subject to the provisions of Article Seventh of the Certificate of Incorporation. Subject to the provisions of Article Seventh of the Certificate of Incorporation, these Bylaws may also be amended or repealed, and new Bylaws adopted, by the stockholders; provided, however, that any amendment or repeal of Section 2.7, Section 2.9 or Section 3.2 hereof may be made only by vote of at least seventy-five percent (75%) of the issued and outstanding common stock of the Corporation of the shares entitled to vote thereon at any annual meeting or special meeting of stockholders, and only if notice of the proposed amendment or repeal is contained in the notice of the meeting.

[GRIPPO & ELDEN LETTERHEAD]

September 23, 1994

Snap-on Incorporated
2801 80th Street
Kenosha, WI 53141-1410

Re: Snap-on Incorporated
Registration Statement on Form S-3

Gentlemen:

As counsel to Snap-on Incorporated, a Delaware corporation (the "Company"), we are familiar with the corporate proceedings of the Company relating to, and have participated in the preparation and the filing by the Company of a Registration Statement on Form S-3 (the "Registration Statement") in connection with, the registration under the Securities Act of 1933, as amended (the "Securities Act"), of \$300,000,000 aggregate public offering price of (i) its unsecured debt securities consisting of notes, debentures and/or other unsecured evidences of indebtedness (the "Debt Securities"), (ii) warrants to purchase Debt Securities (the "Debt Warrants"), (iii) shares of its preferred stock, par value \$1.00 per share (the "Preferred Stock"), (iv) warrants to purchase Preferred Stock (the "Preferred Warrants") and (v) warrants to receive from the Company the cash value in U.S. dollars of the right to purchase or to sell such foreign currency or currency units as shall be designated by the Company at the time of the offering ("Currency Warrants"). The Debt Securities, Debt Warrants, Preferred Stock, Preferred Warrants, and Currency Warrants are collectively referred to herein as the "Securities." The Debt Securities will be issued under an Indenture (the "Indenture") between the Company and Firststar Trust Company, as Trustee. The Debt Warrants, Preferred Warrants and Currency Warrants (collectively, the "Warrants") will be issued under warrant agreements ("Warrant Agreements") between the Company and a bank or trust company, as warrant agent.

This opinion is being delivered in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act.

We advise you that in our opinion:

A. The Company is a corporation duly organized and validly existing under and by virtue of the laws of the State of Delaware, and has adequate corporate powers to own and operate its property and to transact the business in which it is engaged.

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B. The Indenture has been duly authorized by the Company and, assuming due authorization by the Trustee and the execution and delivery of the Indenture by the Company and the Trustee, the Indenture will constitute a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms.

C. When the Registration Statement on Form S-3 relating to the Securities has become effective:

1. The Debt Securities will be duly authorized, legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their terms and entitled to all of the

benefits of the Indenture, when (a) the Indenture has been executed and delivered, and (b) the Debt Securities have been issued, sold and delivered in conformity with the provisions of the Indenture and in the manner and for the consideration stated in the Registration Statement, any amendment thereto, the Prospectus and any Prospectus Supplement relating thereto.

2. The Preferred Stock will be duly authorized and validly issued, fully paid and non-assessable when (a) the terms of any particular series of Preferred Stock have been duly approved and established in accordance with the resolutions of the board of directors of the Company, (b) the Certificate of Designation setting forth the terms of the series of Preferred Stock has been filed with and accepted for recording by the State of Delaware and (c) the Preferred Stock has been issued, sold and delivered in the manner and for the consideration stated in the Registration Statement, any amendment thereto, the Prospectus and any Prospectus Supplement relating thereto.

3. The Warrants will be duly authorized, legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, when (a) the applicable Warrant Agreement has been executed and delivered and (b) the Warrants have been issued, sold and delivered in conformity with the provisions of such Warrant Agreement and in the manner and for the consideration stated in the Registration Statement, any amendment thereto, the Prospectus and any Prospectus Supplement relating thereto.

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The opinions set forth above are subject to the qualifications that (a) enforcement of the Company's obligations under the Indenture and the Debt Securities, and the Warrant Agreements and the Warrants, may be subject to (i) bankruptcy, insolvency, reorganization, moratorium or other similar laws (including, without limitation, all laws relating to fraudulent transfers) now or hereafter in effect relating to or affecting creditors' rights generally and (ii) general principles of equity (regardless of whether such enforcement is sought in a proceeding at law or in equity), and (b) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

We express no opinion as to matters of law in jurisdictions other than the State of Illinois, the federal law of the United States, and the corporate law of the State of Delaware.

We hereby consent to the filing of this opinion with the Securities and Exchange Commission as Exhibit 5 to the Registration Statement and to the use of our name as counsel for the Company in the Registration Statement, the Prospectus, any Prospectus Supplement, and in any amendment or supplement thereto. In giving such consent, however, we do not consider that we are "experts" within the meaning of such term as used in the Securities Act or the rules and regulations thereunder, with respect to any part of the Registration Statement.

Very truly yours,

Grippio & Elden

TWG/llr

EXHIBIT 12

RATIOS OF EARNINGS TO FIXED CHARGES
SEPTEMBER 1994

	SIX MONTHS ENDED		FISCAL YEARS				
	JULY 2, 1994	JULY 3, 1993	1993	1992	1991	1990	1989
EARNINGS:							
INCOME FROM CONTINUING OPERATIONS	82,315	67,689	146,933	115,675	123,867	163,065	166,885
PLUS: INTEREST EXPENSE	6,067	5,385	11,198	5,969	5,250	6,762	3,298
TOTAL EARNINGS	88,382	73,074	158,131	121,644	129,117	169,827	170,183
FIXED CHARGES:							
INTEREST EXPENSE	6,067	5,385	11,198	5,969	5,250	6,762	3,298
INTEREST CAPITALIZED	14	0	0	0	107	414	549
TOTAL FIXED CHARGES	6,081	5,385	11,198	5,969	5,357	7,176	3,847
RATIO OF EARNINGS TO FIXED CHARGES							
TOTAL EARNINGS	88,382	73,074	158,131	121,644	129,117	169,827	170,183
TOTAL FIXED CHARGES	6,081	5,385	11,198	5,969	5,357	7,176	3,847
RATIO	14.5	13.6	14.1	20.4	24.1	23.7	44.2

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to use of our reports (and to all references to our firm) included in or made a part of this Form S-3 Registration Statement.

ARTHUR ANDERSEN LLP

Milwaukee, Wisconsin
September 21, 1994

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM T-1
STATEMENT OF ELIGIBILITY UNDER
THE TRUST INDENTURE ACT OF 1939 OF A
CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF A TRUSTEE
PURSUANT TO SECTION 305(b) (2) _____

FIRSTAR TRUST COMPANY
(EXACT NAME OF TRUSTEE AS SPECIFIED IN ITS CHARTER)

WISCONSIN
(JURISDICTION OF INCORPORATION OR
ORGANIZATION IF NOT A U. S. NATIONAL BANK)

39-0281260
(I.R.S. EMPLOYER
IDENTIFICATION NUMBER)

777 EAST WISCONSIN AVENUE, MILWAUKEE, WISCONSIN
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

53202
(ZIP CODE)

KEVIN C. SCHULLER, VICE PRESIDENT AND ASSISTANT SECRETARY
FIRSTAR TRUST COMPANY
777 EAST WISCONSIN AVENUE
MILWAUKEE, WISCONSIN 53202
TELEPHONE (414) 765-5725
(NAME, ADDRESS, AND TELEPHONE NUMBER OF AGENT FOR SERVICE)

SNAP-ON INCORPORATED
(EXACT NAME OF OBLIGOR AS SPECIFIED IN ITS CHARTER)

DELAWARE
(STATE OR OTHER JURISDICTION
OF INCORPORATION OR ORGANIZATION)

39-0622040
(I.R.S. EMPLOYER
IDENTIFICATION NUMBER)

2801 - 80TH STREET
KENOSHA, WISCONSIN
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

53141-1410
(ZIP CODE)

DEBT SECURITIES
(TITLE OF INDENTURE SECURITIES)

Item 1. General Information.

Furnish the following information as to the trustee:

- (a) Name and address of each examining or supervising authority to which it is subject.

Office of Commissioner of Banking, Madison, Wisconsin Federal
Deposit Insurance Corporation, Washington, D.C.

- (b) Whether it is authorized to exercise corporate trust powers.

The corporate trustee is authorized to exercise corporate trust powers.

Item 2. Affiliations with the Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

The obligor is not an affiliate of the trustee.

Item 3. Voting Securities of the Trustee.

Furnish the following information as to each class of voting securities of the trustee:

AS OF SEPTEMBER 15, 1994

COL. A TITLE OF CLASS	COL. B AMOUNT OUTSTANDING
--------------------------	------------------------------

Per General Instruction B to Form T-1, no response is required to this item as the obligor is not presently in default.

Item 4. Trusteeships under Other Indentures.

If the trustee is a trustee under another indenture under which any other securities, or certificates of interest or participation in any other securities, of the obligor are outstanding, furnish the following information:

- (a) Title of the securities outstanding under each such other indenture.

Per General Instruction B to Form T-1, no response is required to this item as the obligor is not presently in default.

- (b) A brief statement of the facts relied upon as a basis for the claim that no conflicting interest within the meaning of Section 310(b)(1) of the Act arises as a result of the trusteeship under any such other indenture, including a statement as to how the indenture securities will rank as compared with the securities issued under such other indenture.

Per General Instruction B to Form T-1, no response is required to this item as the obligor is not presently in default.

Item 5. Interlocking Directorates and Similar Relationships with the Obligor or Underwriters.

If the trustee or any of the directors or executive officers of the trustee is a director, officer, partner, employee, appointee, or representative of the obligor or of any underwriter for the obligor, identify each such person having any such connection and state the nature of each such connection.

Per General Instruction B to Form T-1, no response is required to this item as the obligor is not presently in default.

Item 6. Voting Securities of the Trustee Owned by the Obligor or its Officials.

Furnish the following information as to the voting securities of the trustee owned beneficially by the obligor and each director, partner, and executive officer of the obligor:

AS OF SEPTEMBER 15, 1994

COL. A NAME OF OWNER	COL. B TITLE OF CLASS	COL. C AMOUNT OWNED BENEFICIALLY	COL. D PERCENTAGE OF VOTING SECURITIES REPRESENTED BY AMOUNT GIVEN IN COL. C
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Per General Instruction B to Form T-1, no response is required to this item as the obligor is not presently in default.

Item 7. Voting Securities of the Trustee Owned by Underwriters or their Officials.

Furnish the following information as to the voting securities of the trustee owned beneficially by each underwriter for the obligor and each director, partner, and executive officer of each such underwriter:

AS OF SEPTEMBER 15, 1994

COL. A NAME OF OWNER	COL. B TITLE OF CLASS	COL. C AMOUNT OWNED BENEFICIALLY	COL. D PERCENTAGE OF VOTING SECURITIES REPRESENTED BY AMOUNT GIVEN IN COL. C
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Per General Instruction B to form T-1, no response is required to this item as the obligor is not presently in default.

Item 8. Securities of the Obligor Owned or Held by the Trustee.

Furnish the following information as to securities of the obligor owned beneficially or held as collateral security for obligations in default by the trustee:

AS OF SEPTEMBER 15, 1994

COL. A TITLE OF CLASS	COL. B WHETHER THE SECURITIES ARE VOTING OR NONVOTING SECURITIES	COL. C AMOUNT OWNED BENEFICIALLY OR HELD AS COLLATERAL SECURITY FOR OBLIGATIONS IN DEFAULT	COL. D PERCENT OF CLASS REPRESENTED BY AMOUNT GIVEN IN COL. C
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Per General Instruction B to Form T-1, no response is required to this item as the obligor is not presently in default.

Item 9. Securities of Underwriters Owned or Held by the Trustee.

If the trustee owns beneficially or holds as collateral security for obligations in default any securities of an underwriter for the obligor, furnish the following information as to each class of securities of such underwriter any of which are so owned or held by the trustee:

AS OF SEPTEMBER 15, 1994

COL. A NAME OF ISSUER AND TITLE OF CLASS	COL. B AMOUNT OUTSTANDING	COL. C AMOUNT OWNED BENEFICIALLY OR HELD AS COLLATERAL SECURITY FOR OBLIGATIONS IN DEFAULT BY TRUSTEE	COL. D PERCENT OF CLASS REPRESENTED BY AMOUNT GIVEN IN COL. C
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Per General Instruction B to Form T-1, no response is required to this item as the obligor is not presently in default.

Item 10. Ownership or Holdings by the Trustee of Voting Securities of Certain Affiliates or Security Holders of the Obligor.

If the trustee owns beneficially or holds as collateral security for obligations in default voting securities of a person who, to the knowledge of the trustee (1) owns 10 percent or more of the voting securities of the obligor or (2) is an affiliate, other than a subsidiary, of the obligor, furnish the following information as to the voting securities of such person:

AS OF SEPTEMBER 15, 1994

COL. A NAME OF ISSUER AND TITLE OF CLASS	COL. B AMOUNT OUTSTANDING	COL. C AMOUNT OWNED BENEFICIALLY OR HELD AS COLLATERAL SECURITY FOR OBLIGATIONS IN DEFAULT BY TRUSTEE	COL. D PERCENT OF CLASS REPRESENTED BY AMOUNT GIVEN IN COL. C
---	---------------------------------	--	---

Per General Instruction B to Form T-1, no response is required to this item as the obligor is not presently in default.

Item 11. Ownership or Holdings by the Trustee of any Securities of a Person Owning 50 Percent or More of the Voting Securities of the Obligor.

If the trustee owns beneficially or holds as collateral security for obligations in default any securities of a person who, to the knowledge of the trustee, owns 50 percent or more of the voting securities of the obligor, furnish the following information as to each class of securities of such person any of which are so owned or held by the trustee:

AS OF SEPTEMBER 15, 1994

COL. A NAME OF ISSUER AND TITLE OF CLASS	COL. B AMOUNT OUTSTANDING	COL. C AMOUNT OWNED BENEFICIALLY OR HELD AS COLLATERAL SECURITY FOR OBLIGATIONS IN DEFAULT BY TRUSTEE	COL. D PERCENT OF CLASS REPRESENTED BY AMOUNT GIVEN IN COL. C
---	---------------------------------	--	---

Per General Instruction B to Form T-1, no response is required to this item as the obligor is not presently in default.

Item 12. Indebtedness of the Obligor to the Trustee.

Except as noted in the instructions, if the obligor is indebted to the trustee, furnish the following information:

AS OF SEPTEMBER 15, 1994

COL. A NATURE OF INDEBTEDNESS	COL. B AMOUNT OUTSTANDING	COL. C DATE DUE
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Per General Instruction B to Form T-1, no response is required to this item as the obligor is not presently in default.

Item 13. Defaults by the Obligor.

- (a) State whether there is or has been a default with respect to the securities under this indenture. Explain the nature of any such default.

Per General Instruction B to Form T-1, no response is required to this item as the obligor is not presently in default.

- (b) If the trustee is a trustee under another indenture under which any other securities, or certificates of interest or participation in any other securities, of the obligor are outstanding, or is trustee for more than one outstanding series of securities under the indenture, state whether there has been a default under any such indenture or series, identify the indenture or series affected, and explain the nature of any such default.

Per General Instruction B to Form T-1, no response is required to this item as the obligor is not presently in default.

Item 14. Affiliations with the Underwriters.

If any underwriter is an affiliate of the trustee, describe each such affiliation.

Per General Instruction B to Form T-1, no response is required to this item as the obligor is not presently in default.

Item 15. Foreign Trustee.

Identify the order or rule pursuant to which the foreign trustee is authorized to act as sole trustee under indentures qualified or to be qualified under the Act.

Not applicable

Item 16. List of Exhibits.

List below all exhibits filed as part of this statement of eligibility.

1. A copy of the Articles of Association of Firststar Trust Company (f/k/a First Wisconsin Trust Company) as now in effect (filed herewith).
2. Certificate of authority of the Trustee to commence business (contained in Exhibit 1).
3. Authorization of the Trustee to exercise trust powers (contained in Exhibit 1).
4. A copy of the existing By-Laws of Firststar Trust Company (f/k/a First Wisconsin Trust Company) (filed herewith).
6. The consent of the Trustee required by Section 321(b) of the Trust Indenture Act of 1939 (filed herewith).
7. A copy of the latest report of condition of the trustee published pursuant to law or the requirement of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, the trustee, Firststar Trust Company, a corporation organized and existing under the laws of the State of Wisconsin, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Milwaukee, and State of Wisconsin, on the 15th day of September, 1994.

FIRSTAR TRUST COMPANY
(Trustee)

By: /S/ JOSEPH S. QUINN

JOSEPH S. QUINN, VICE PRESIDENT
(Name and title)

By: /S/ YVONNE SIIRA

YVONNE SIIRA, ASSISTANT SECRETARY
(Name and title)

EXHIBIT 1

STATE OF WISCONSIN
OFFICE OF COMMISSIONER OF BANKING
BANKS DIVISION
POST OFFICE BOX 7876
MADISON, WISCONSIN 53707-7876
(TELEPHONE: 608-266-1621)

AMENDMENT TO ARTICLES
CERTIFICATION

I, Toby E. Sherry, Commissioner of Banking of the State of Wisconsin, do hereby certify that an amendment to the original Articles of Incorporation of First Wisconsin Trust Company, Milwaukee, Wisconsin, of which a duly verified copy is hereto attached, was on the 17th day of August, A.D. 1992, approved and filed in the Office of Commissioner of Banking. This amendment relates to corporate name and was adopted by stockholders of the above bank on July 16, 1992.

IN TESTIMONY WHEREOF, I have set my hand
and affixed my official seal. Done at
my office in the City of Madison this
17th day of August, A.D. 1992.

Toby E. Sherry
Commissioner of Banking

IMPORTANT: TO BE RECORDED BY THE REGISTER OF DEEDS TOGETHER WITH THE
ATTACHED COPY OF THE AMENDMENT

We, Philip R. Smith as President, and James D. Hintz as Cashier of First Wisconsin Trust Company do hereby certify that the foregoing is a true copy of an amendment to the Articles of Incorporation of this bank and that at the annual or special meeting of the stockholders of the bank, called for that purpose and held pursuant to the provisions of law, in the office of the bank in the City of Milwaukee, State of Wisconsin, on the 16th day of July, A.D. 1992, the said amendment was duly adopted by the affirmative vote of two-thirds of all capital stock outstanding; that the majority stockholder was present or represented at said meeting; that the entire number of shares outstanding is 10,000; that the number of shares represented at the meeting was 9,952; that upon the adoption of such resolution 9,952 votes were cast in the affirmative; one vote for each share, and that 0 votes were cast in the negative.

In Testimony Whereof, First Wisconsin Trust Company has caused these presents to be executed by the President and Cashier thereof and the corporate seal of said bank is hereunto affixed this 28th day of July, A.D. 1992, by its authority.

First Wisconsin Trust Company

In presence of
Sharon L. Gazzana
Sandra L. Belongia

By Philip R. Smith, President
James Hintz, Cashier

State of Wisconsin)
Milwaukee County) ss.

Personally came before me this 28th day of July, A.D. 1992, Philip R. Smith as President, and James D. Hintz as Cashier of the First Wisconsin Trust Company, who are to me known to be such President and Cashier, respectively, and to be the persons who executed the foregoing instrument, and acknowledged the same as such officers, for the purposes therein mentioned.

Diane M. Rampacek
Notary Public

Milwaukee County, Wisconsin

My commission expires 11/13/94

AMENDMENT TO ARTICLES OF INCORPORATION

Which Articles were filed/recorded in the office of the Register of Deeds for Milwaukee County on the 6th day of July, 1903. Recorded in Volume S of Corporations, Page 134.

At a meeting of the stockholders of First Wisconsin Trust Company of Milwaukee, Wisconsin, held at the office of said bank in said City on the 16th day of July, A.D. 1992, at 9:30 o'clock A.M., of that day, which meeting was called for the purpose of amending the Articles of Incorporation of said bank, and at which meeting 9,952 shares of the capital stock of said bank were duly represented, the following resolutions were adopted:

"Resolved That the Articles of Incorporation of the bank be amended by striking out the paragraph relating to the name reading as follows:

"The name of this corporation shall be "FIRST WISCONSIN TRUST COMPANY, and its location shall be at the City and County of Milwaukee and State of Wisconsin."

And Inserting in lieu thereof the following paragraph:

"The title of the Corporation shall be Firststar Trust Company, and its location shall be at the City and County of Milwaukee and State of Wisconsin."

"It was further resolved, That the President and Cashier of said bank be authorized, under the seal of the Corporation, to file proper certificates of such amendment with the Commissioner of Banking as provided by law."

ARTICLES OF ASSOCIATION OF FIRSTSTAR TRUST COMPANY MILWAUKEE, WISCONSIN

KNOW ALL MEN BY THESE PRESENTS, that we, Frederick Pabst, L.J. Petit, Frederick Kasten, Oliver C. Fuller, and Edward P. Vilas, of the City and County of Milwaukee and State of Wisconsin, have associated and do hereby associate for the purpose of forming a corporation, to wit, a trust company bank under and pursuant to the privileges and restrictions of the statutes of the State of Wisconsin, in that behalf made and provided; and particularly Chapters 221 and 223 of said statutes, and thereto adopt the following:

ARTICLE 1

The purpose and business of this corporation shall be those of both a state bank and a trust company bank as defined by Wisconsin law, this corporation being a trust company bank which has been converted into a state bank in accordance with such law.

ARTICLE 2

The name of this corporation shall be "FIRST WISCONSIN TRUST COMPANY," and its location shall be at the City and County of Milwaukee and State of Wisconsin.

ARTICLE 3

The capital stock of this Corporation shall be One Million Dollars (\$1,000,000), divided into ten thousand (10,000) shares of the par value of One Hundred Dollars (\$100) each.

ARTICLE 4

The Board of Directors shall consist of such number of individuals, not less than fifteen nor more than sixty, as from time to time shall be prescribed in the By-laws, a least two-thirds of whom shall be residents of Wisconsin and the majority of whom shall be residents of Milwaukee County or adjacent counties. Each of said directors shall be elected for a term of one year and until his successor has been elected and qualified.

In witness whereof, we have hereunto subscribed our names at Milwaukee, Wisconsin, on this first day of July, A.D. 1903.

(Signed) Frederick Pabst
L.J. Petit
Fred Kasten
Oliver C. Fuller
Edward P. Vilas

State of Wisconsin
Milwaukee County

On this first day of July, A.D. 1903, personally appeared before me the above signed Frederick Pabst, L.J. Petit, Frederick Kasten, Oliver C. Fuller, and Edward P. Vilas, to me known to be the persons who executed the foregoing instrument and severally acknowledge the same.

My commission will expire on the 30th day of December, 1906.

(Signed) W.L. Cheney
Notary Public
Milwaukee County,
Wisconsin

)
) ss.
)

EXHIBIT 4

AS AMENDED THROUGH DECEMBER 20, 1990

RESTATED BY-LAWS OF
FIRSTSTAR TRUST COMPANY
ADOPTED JANUARY 15, 1963

ARTICLE 1

The annual meeting of this Corporation for the election of its directors and the transaction of its general business shall be held on the third Thursday of

February at the general office of this Corporation in the City of Milwaukee, at 8 o'clock in the morning, or at such other hour and place in the City of Milwaukee as shall be designated by the Board of Directors. If any hour other than 8 o'clock in the morning or any place other than the general office of this Corporation shall be so designated, notice thereof shall be given by mailing the same to each stockholder at his last known address at least ten (10) days prior to the holding of said meeting.

ARTICLE 2

Special meetings of the stockholders of this Corporation shall be held in the City of Milwaukee and may be called at any time by order of the Chairman of the Board, the President, or one of the Vice Presidents, or by the Board of Directors, by mailing to each stockholder at his last known address at least ten (10) days prior to the date of the holding of such special meeting, a notice specifying the time and place of such special meeting and the business to be transacted thereat, and no other business shall be transacted at said meeting.

ARTICLE 3

SECTION 1. Every stockholder may vote and participate at any meeting of stockholders, either in person or by proxy. No proxy shall be recognized unless the same shall be in writing, subscribed by the stockholder nor unless filed with the Secretary prior to the meeting. No active or salaried officer may act as a proxy for a stockholder.

SECTION 2. The Cashier shall maintain a stock book showing the name, residence, and number of shares held by each stockholder, which shall at all times, during the usual hours for transacting business, be subject to inspection by the officers, directors, and stockholders of the Company.

ARTICLE 4

SECTION 1. The Board of Directors shall consist of not less than fifteen nor more than thirty directors, the number of directors to be determined by resolution adopted at each annual stockholders' meeting, or at any special stockholders' meeting duly called for such purpose. On and after January 1, 1978, no person shall be eligible to be elected or re-elected as a member of the Board of Directors if he shall have attained 70 years of age at the date of the election.

SECTION 2. The election of directors by the stockholders shall be by ballot or other method as shall be adopted by the stockholders by resolution or motion adopted at the stockholders' meeting.

ARTICLE 4 (CONTINUED)

SECTION 3. A majority of the Board of Directors shall constitute a quorum for the transaction of business; provided that the directors may, once in six (6) months, designate by resolution nine (9) members, any five (5) of whom shall constitute a quorum.

SECTION 4. Minutes of each meeting of the Board of Directors shall disclose the date of such meeting, the names of directors present, and the reasons for the absence of each director not in attendance; shall be subscribed by the presiding officer; and shall be read and approved by the Board of Directors at the next succeeding meeting, the minutes of which shall show such fact.

SECTION 5. A regular meeting of the Board of Directors shall be held at the office of this Corporation in the City of Milwaukee at least once in each month at such time as shall, from time to time, be designated by resolution of the Board of Directors.

SECTION 6. Special meetings of the Board of Directors shall be held at the general office of the Corporation in the City of Milwaukee or at such other place in the City of Milwaukee as shall be designated, and may be called by

order of the Chairman of the Board, the President, or by any two of the directors by mailing notice of such meeting and the designated time and place thereof to each of the directors at his last known address two (2) days prior to the holding of such meeting.

ARTICLE 5

SECTION 1. An Executive Committee consisting of the Chairman of the Board, the President, and not less than six (6) or more than twelve (12) other directors may be appointed by the Board of Directors to serve until their successors shall be appointed, and such Executive Committee shall direct the management of the affairs of this Corporation in the interim between meetings of the Board of Directors, subject to the control of the Board. The Chairman of the Board, or in his absence (through failure of the Board of Directors to elect a Chairman or otherwise), the President, shall preside at meetings of the Executive Committee. The person from time to time elected Secretary of the Board shall also serve as Secretary of the Executive Committee.

SECTION 2. Meetings of the Executive Committee may be held at any time when the Board of Directors is not in session, and may be prescribed by the Board of Directors or may be called by order of the Chairman of the Board, the President, or by any two (2) members of the Executive Committee, by mailing notice of such meeting designating the time and place thereof, addressed to each member of the Committee at his last known address two (2) days prior to the holding of such meeting, or by personal notice thereof given a sufficient length of time before such meeting to enable members to attend.

SECTION 3. The Executive Committee shall keep full and true minutes of all business transacted at each meeting and shall submit its report together with a copy of the minutes of its proceedings to the Board of Directors at its next meeting thereafter.

SECTION 4. The Board of Directors may appoint an Investment Committee consisting of at least two (2) officers and at least four (4) directors who are not officers, which Committee shall have such duties and authority as the Board of Directors shall from time to time prescribe. Members of such committee shall serve for such periods as the Board shall from time to time prescribe.

ARTICLE 5 (CONTINUED)

SECTION 5. The Board of Directors shall appoint a Loan Committee consisting of three (3) or more directors, which shall meet at least once each month and shall determine policies as to renewals and applications for new loans. All loans shall be presented to the Loan Committee for approval, provided, however, that the Board of Directors may by resolution designate officers who may make loans without the prior approval of the Loan Committee but subject to the provisions of the Wisconsin Statutes, the regulations of the Commissioner of Banks, and these By-laws. Officers designated by the Board may not make unsecured loans in an amount exceeding \$10,000, or collateral loans in an amount exceeding \$25,000. No loans may be made in an amount exceeding the limits established from time to time by the Board of Directors without securing a sworn financial statement unless such loan is secured by collateral having a value in excess of the amount of the loan.

SECTION 6. Each year the Board of Directors shall appoint, from among its members or stockholders, an Examining Committee, which shall have such duties as shall be prescribed by law.

SECTION 7. The Board of Directors shall have the power to set the banking hours of this bank, subject to the provisions of the Wisconsin Statutes and the regulations of the Commissioner of Banks. Certified copies of all resolutions of the Board pertaining to banking hours shall be furnished to the State Banking Department.

SECTION 8. A detailed statement of all current expenses and taxes paid shall be presented to the Board in writing every month, or more often if required by the

Board.

ARTICLE 6

A written waiver signed by any director or member of any committee shall be the equivalent of due notice to him of any meeting therein mentioned.

ARTICLE 7

Directors and members of committees appointed by the Board of Directors, except directors or members who are salaried officers or employees of this Corporation, shall be paid such fees for services and attendance at meetings as the Board of Directors shall from time to time prescribe.

ARTICLE 8

SECTION 1. The general officers of the Corporation shall be a president, two or more vice presidents, a cashier and one or more assistant cashiers, a secretary and one or more assistant secretaries, one or more trust officers, and such other officers as may be appropriate for the transaction of its business, each of whom shall be elected by a viva voce vote of the Board of Directors, unless objection thereto is made, whereupon such election shall be by ballot. The Chairman of the Board, if there be one, the senior executive officer in charge of conducting the business of this Corporation and the officer in charge of the Trust Department of this Corporation shall be chosen from among the directors. Each of said officers shall be elected for one year and until his successor has been elected and qualified, unless sooner removed by the Board of Directors.

ARTICLE 8 (CONTINUED)

SECTION 2. The Board of Directors shall have authority to define the duties and obligations of all officers, to fix their compensation, to dismiss them at pleasure, to fill vacancies in offices, and to require any officer to provide a satisfactory bond for the faithful performance of his duties. Unless otherwise prescribed by the Board of Directors, each officer shall have the duties and authority prescribed by law or ordinarily incidental to his office in similar corporations.

SECTION 3. The Board of Directors shall designate the officers to be the chief executive officer in charge of the Trust Department of this Corporation. All fiduciary powers of this Corporation shall be exercised through such officer who shall be generally responsible for and supervise and direct the activities of the Trust Department, and do and perform all acts and things necessary and proper in carrying on the business of the Trust Department in accordance with the provisions of applicable laws and regulations and the directions of the Board of Directors, appropriate committees of the Board, and his superior officers, and shall cause to be kept under his supervision books of account of the transactions of this Corporation in a fiduciary capacity.

SECTION 4. The executive officers shall have authority to employ and discharge all necessary agents and servants of this Corporation whose appointments shall not be provided for by the Board, to define their duties, and to fix their compensations.

ARTICLE 9

The Board of Directors may by resolution provide for this Corporation to indemnify each director or officer, whether or not then in office, against all expense and liability relating to a claim, action, suit, or proceeding against him or to which he may be made a party by reason of his being or having been a director or officer of this Corporation, or of any other company which he served as a director or officer at the request of this Corporation, except in any case where he was finally adjudged to have been derelict in the performance of his duties as such director or officer. Such resolution may include provisions for this Corporation (1) to assume or provide at its expense and risk the defense or settlement of any section, (2) to purchase commercial insurance for the benefit

of a director or officer, including one adjudged guilty of negligence or misconduct, and (3) to assume or share any additional expense or liability as the Board of Directors deems warranted upon consideration of the circumstances.

ARTICLE 10

The Board of Directors may by resolution adopt emergency provisions to prevail notwithstanding any contrary provisions of these By-laws, to take effect when a state of emergency results in this Corporation being unable to continue its normal functions under the direction of established management or at its regular location (which provisions may include, but shall not be limited to procedures for establishing temporary offices, an emergency executive committee, and emergency officer succession).

ARTICLE 11

The shares of stock of this Corporation shall be transferable only on the books of this Corporation upon surrender of the certificate issued therefor.

ARTICLE 12

These By-laws may be altered, amended, or repealed in whole or in part in any manner not inconsistent with the provisions of law at any time by a vote of the stockholders representing two-thirds of the capital stock, such a vote to be taken at a general or special meeting, the notice whereof shall specify that it is the intention to consider such amendment and shall contain a full statement of the effect of the amendment proposed.

EXHIBIT 6

CONSENT OF THE TRUSTEE REQUIRED BY SECTION 321(B) OF THE TRUST INDENTURE ACT OF 1939

Firststar Trust Company, as Trustee herein named, hereby consents that reports of examination of said Trustee by Federal and State authorities may be furnished by such authorities to the Securities and Exchange Commission upon request therefor.

FIRSTAR TRUST COMPANY,
as Trustee

By: /S/ JOSEPH S. QUINN

JOSEPH S. QUINN, VICE PRESIDENT
(Name and title)

By: /S/ YVONNE SIIRA

YVONNE SIIRA, ASSISTANT SECRETARY
(Name and title)

Dated: SEPTEMBER 15, 1994

EXHIBIT 7

PUBLICATION COPY--COMMERCIAL AND SAVINGS BANKS
CONSOLIDATED REPORT OF CONDITION (Including Domestic and Foreign Subsidiaries)
STATE 035 (3/93)

LEGAL TITLE OF BANK

STATE BANK NO.

12-99

CITY	COUNTY	STATE	ZIP CODE	CLOSE OF BUSINESS DATE			
Milwaukee	Milwaukee	Wisconsin	53202	12/31/93			
					Dollar Amounts in Thousands		
					Mil	Thou	
ASSETS							
1. Cash and balances due from depository institutions:							
a. Noninterest-bearing balances and currency and coin					93	793	1.a.
b. Interest-bearing balances.						0	1.b.
2. Securities					44	394	2.
3. Federal funds sold and securities purchased under agreements to resell in domestic offices of the bank and of its Edge and Agreement subsidiaries, and in IBFs:							
a. Federal funds sold					10	000	3.a.
b. Securities purchased under agreements to resell.						0	3.b.
4. Loans and lease financing receivables:							
a. Loans and leases, net of unearned income 8,696							4.a.
b. LESS: Allowance for loan and lease losses73. 73							4.b.
c. LESS: Allocated transfer risk reserve.						0	4.c.
d. Loans and leases, net of unearned income, allowance, and reserve (Item 4.a. minus 4.b. and 4.c.).					8	623	4.d.
5. Assets held in trading accounts.						0	5.
6. Promises and fixed assets (including capitalized leases)					1	361	6.
7. Other real estate owned.						0	7.
8. Investments in unconsolidated subsidiaries and associated companies.						0	8.
9. Customers' liability to this bank on acceptances outstanding						0	9.
10. Intangible assets.						0	10.
11. Other assets					6	042	11.
12. a. Total assets (sum of items 1 through 11).					164	213	12.a.
b. Loans deferred pursuant to 12 U.S.C. Section 1823(J).						0	12.b.
c. Total assets and losses deferred pursuant to 12 U.S.C. Section 1823(J) (sum of items 12.a. and 12.b.).					164	213	12.c.
LIABILITIES							
13. Deposits:							
a. In domestic offices					141	819	13.a.
(1) Noninterest-bearing 141,374							13.a.(1)
(2) Interest-bearing. 445							13.a.(2)
b. In foreign offices, Edge and Agreement subsidiaries, and IBFs						0	13.b.
(1) Noninterest-bearing					None	None	13.b.(1)
(2) Interest-bearing.					None	13.b.(2)	
14. a. Federal funds purchased and securities sold under agreements to repurchase in domestic offices of the bank and of its Edge and Agreement subsidiaries.					1	650	14.a.
b. Securities sold under agreements to repurchase.						0	14.b.
15. Demand notes issued to the U.S. Treasury						0	15.
16. Other borrowed money					1	125	16.
17. Mortgage indebtedness and obligations under capitalized leases						0	17.
18. Bank's liability on acceptances executed and outstanding						0	18.
19. Subordinated notes and debentures.						0	19.
20. Other liabilities.					5	910	20.
21. Total liabilities (sum of items 13 through 20)					150	504	21.
22. Limited-life preferred stock and related surplus						0	22.
EQUITY CAPITAL							
23. Perpetual preferred stock and related surplus (Number of shares outstanding) (None)						0	23.
24. Common stock (Number of shares							
a. Authorized. 10,000							
b. Outstanding 10,000)					1	000	24.
25. Surplus (exclude all surplus related to preferred stock)					9	083	25.
26. a. Undivided profits and capital reserves.					3	626	26.a.
b. LESS: Net unrealized loss on marketable equity securities						0	26.b.
27. Cumulative foreign currency translation adjustments							
28. a. Total equity capital (sum of items 23 through 27)					13	709	28.a.
b. Losses deferred pursuant to 12 U.S.C. Section 1823(J)						0	28.b.
c. Total equity capital and losses deferred pursuant to 12 U.S.C. Section 1823 (J) (sum of items 28.a. and 28.b.)					13	709	28.c.
29. Total liabilities, limited-life preferred stock, equity capital, and losses deferred pursuant to 12 U.S.C. Section 1823(J) (sum of items 21, 22, and 28.c.).					164	213	29.
MEMORANDA: Amounts outstanding as of Report of Condition date:							
1.a Standby letter of credit. Total						None	MEMO 1.a.
1.b Amount of Standby letters of credit in memo 1.a. conveyed to others through participations						None	1.b.

NOTE: This report must be signed by an authorized officer(s) and attested by not less than three directors other than the officer(s) signing the report.

I/We, the undersigned officer(s), do hereby declare that this Report of Condition has been prepared in conformance with official instructions and is

true and correct to the best of my (our) knowledge and belief.

SIGNATURE OF OFFICER(S) AUTHORIZED TO SIGN REPORT

James D. Hintz

DATE SIGNED

Jan 26, 1994

NAME(S) AND TITLES(S) OF OFFICER(S)

AUTHORIZED TO SIGN REPORT

James D. Hintz, First Vice President and Cashier

AREA CODE/PHONE NO.

414 765-5295

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us and to the best of our knowledge and belief has been prepared in conformance with official instructions and is true and correct.

SIGNATURE OF DIRECTOR

Blaine E. Rieke

SIGNATURE OF DIRECTOR

Philip R. Smith

SIGNATURE OF DIRECTOR

(MAKE MARK FOR
NOTARY'S SEAL)

State of Wisconsin County of Milwaukee
Sworn to and subscribed before me this 27th day of January
1994 and I hereby certify that I am not an officer or
director of this bank.

Nancy A. Helgersen

Signature Notary Public

My commission expires 4-20 1997