

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported) June 6, 1997

NEWELL CO.

(Exact name of registrant as specified in its charter)

Delaware	1-9608	36-3514169
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(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

29 East Stephenson Street, Freeport, Illinois 61032

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (815) 235-4171

Item 5. Other Events

On June 6, 1997 the Company amended a Distribution Agreement and entered into a Remarketing Agreement in connection with a proposed public offering from time to time of Medium-Term Notes (including Remarketed Notes) under the Company's shelf Registration Statement on Form S-3 (Registration No. 33-64225).

In connection with the above-referenced Registration Statement, copies of the form of Remarketing Agreement, the amendment to the Distribution Agreement and form of Remarketed Medium-Term Note are filed as Exhibits 1.1, 1.2 and 4.1, respectively, to this Report on Form 8-K, and hereby are incorporated by reference herein. In addition, filed as Exhibit 12 hereto is the computation of ratios of earnings to fixed charges for the Company for the three months ended March 31, 1997 and the fiscal years 1996, 1995, 1994, 1993 and 1992.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(c) Exhibits.

- (1.1) Remarketing Agreement, dated as of June 6, 1997, among Newell Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Chase Securities Inc., Morgan Stanley & Co. Incorporated, and First Chicago Capital Markets, Inc.
- (1.2) First Amendment, dated as of June 6, 1997 to the Distribution Agreement dated as of May 3, 1996 among Newell Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Chase Securities Inc., Morgan Stanley & Co. Incorporated and First Chicago Capital Markets, Inc.
- (4.1) Form of Remarketed Note.
- (12) Computation of ratios of earnings to fixed charges for the three months ended March 31, 1997 and the fiscal years 1996, 1995, 1994, 1993 and 1992.

SIGNATURE

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

Date: June 6, 1997

NEWELL CO.

By: /s/ William T. Alldredge

William T. Alldredge
Vice President - Finance

EXHIBIT INDEX

Exhibit No. -----	Description -----
1.1	Remarketing Agreement, dated as of June 6, 1997, among Newell Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Chase Securities Inc., Morgan Stanley & Co. Incorporated, and First Chicago Capital Markets, Inc.
1.2	First Amendment, dated as of June 6, 1997 to the Distribution Agreement dated as of May 3, 1996 among Newell Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Chase Securities Inc., Morgan Stanley & Co. Incorporated and First Chicago Capital Markets, Inc.
4.1	Form of Remarketed Note.
12	Computation of ratios of earnings to fixed charges for the three months ended March 31, 1997 and the fiscal years 1996, 1995, 1994, 1993 and 1992.

NEWELL CO.

Medium-Term Notes, Series A,
Due Nine Months or More From Date of Issue

FIRST AMENDMENT TO DISTRIBUTION AGREEMENT

June 6, 1997

MERRILL LYNCH & CO.
MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED
Merrill Lynch World Headquarters
North Tower
World Financial Center
New York, New York 10281-1323

CHASE SECURITIES INC.
270 Park Avenue
New York, New York 10017

FIRST CHICAGO CAPITAL MARKETS, INC.
One First National Plaza
Mail Suite 0595, 8th Floor
Chicago, Illinois 60670

MORGAN STANLEY & CO. INCORPORATED
1585 Broadway, 2nd Floor
New York, New York 10036

Dear Sirs:

Newell Co., a Delaware corporation (the "Company"), and each of Merrill Lynch, Pierce, Fenner & Smith Incorporated, Chase Securities Inc. and Morgan Stanley & Co. Incorporated (collectively, the "Original Agents") have entered into a Distribution Agreement, dated May 3, 1996 (the "Agreement"), with respect to the issue and sale by the Company of its Medium-Term Notes, Series A, Due Nine Months or More From Date of Issue (the "Notes"). The Company, each of the Original Agents and First Chicago Capital Markets, Inc. ("First Chicago") now desire to amend the Agreement in the manner described below. Terms used and not otherwise defined in this First Amendment to Distribution Agreement have the meanings set forth in the Agreement.

1. The Company hereby formally notifies each of the Original Agents that, effective as of the date hereof, it has appointed First Chicago as an Agent (as defined in the Agreement) under

the Agreement with respect to the issue and sale of the Notes, on the terms and subject to the conditions set forth in the Agreement, as amended hereby. Pursuant to Section 1(a) of the Agreement, First Chicago, in order to be appointed an Agent to act on the Company's behalf, or to assist the Company in the placement of the Notes, agrees to be bound by the terms and provisions of the Agreement, as amended hereby.

2. Effective as of the date hereof, the Agreement is amended in the manner described below:

- a. All references in the Agreement to an Agent or the Agents shall be deemed to include First Chicago Capital Markets, Inc.
- b. All references in the Agreement to a Note or Notes shall be deemed to include any Notes that are Remarketed Notes (as defined in the Prospectus).
- c. Section 2(a) of the Agreement is amended to add a new subsection (xvi), set out below in its entirety:

"(xvi) Authorization and Validity of the Remarketing Agreement. The Remarketing Agreement (as defined in the Prospectus), if applicable, has been duly and validly authorized, executed and delivered by the Company and, assuming the Remarketing Agreement has been duly authorized, executed and delivered by the Remarketing Agent or Remarketing Agents (as defined in the Prospectus), will be a valid and legally binding agreement of the Company."

- d. Section 2(a)(ix) of the Agreement is deleted in its entirety and replaced by the following:

"(ix) No Defaults. Neither the Company nor any of its Significant Subsidiaries is in violation of its charter or in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, loan agreement, note, lease or other instrument to which it is a party or by which it or 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 when such default would not have a material adverse effect on the condition, financial or otherwise, or the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise; and the execution, delivery and performance of this Agreement, the Remarketing Agreement, if applicable, the Indenture and the Notes, the compliance by the Company with its obligations hereunder and thereunder and

the consummation of the transactions contemplated herein, therein and pursuant to any applicable Terms Agreement will not conflict with or constitute a breach of, or 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 instrument to which the Company or any such subsidiary is subject, nor will such action result in any violation of the provisions of the charter or by-laws of the Company or any law, administrative regulation or administrative or court order or decree of any court or governmental agency, authority or body or any arbitrator having jurisdiction over the Company."

- e. Section 5(a)(2)(viii) of the Agreement is amended to add the phrase "Special Provisions Relating to Remarketed Notes," before the phrase "Special Provisions Relating to Foreign Currency Notes."
- f. Section 5(a)(2)(xii) of the Agreement is amended to add the phrase "the Remarketing Agreement, if applicable" between the phrases "the Agreement," and "the Indenture."
- g. Section 5(a)(2) of the Agreement is amended to add a new subsection (xvi) as set out below:
 - "(xvi) The Remarketing Agreement if applicable, has been duly and validly authorized, executed and delivered by the Company."
- h. For purposes of determining the compensation payable to the applicable Agent or Agents in accordance with Schedule A to the Agreement in connection with the sale of any Remarketed Notes, all references in such Schedule A to "Maturity Ranges" shall be deemed to be to the period to the first Interest Rate Adjustment Date (as defined in the Prospectus).

3. Pursuant to Section 3(c) of the Agreement, the parties hereto agree that the Administrative Procedures attached hereto as Exhibit A shall apply with respect to the sale and/or remarketing of Remarketed Notes.

If the foregoing is in accordance with your understanding of this First Amendment to the Agreement, please sign and return to the Company a counterpart hereof, whereupon this agreement along with all counterparts will become a binding agreement between the Company and the Agents, including First Chicago, in accordance with its terms.

Very truly yours,

NEWELL CO.

By: _____
Name: C.R. Davenport
Title: Vice President-Treasurer

Confirmed and accepted by:

Merrill Lynch, Pierce, Fenner & Smith
Incorporated

By: _____
Name:
Title:

Chase Securities Inc.

By: _____
Name:
Title:

First Chicago Capital
Markets, Inc.

By: _____
Name:
Title:

Morgan Stanley & Co. Incorporated

By: _____
Name:
Title:

NEWELL CO.

ADMINISTRATIVE PROCEDURES

FOR MEDIUM TERM NOTES, SERIES A
(REMARKETED NOTES)
(DATED AS OF JUNE 6, 1997)

Medium Term Notes, Series A ("Medium Term Notes"), issued as Remarketed Notes (the "Notes") are to be offered from time to time by Newell Co., a Delaware corporation (the "Company"), to or through Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"), Chase Securities Inc. ("Chase Securities"), Morgan Stanley & Co. Incorporated ("Morgan Stanley") and First Chicago Capital Markets, Inc. ("First Chicago" and, together with Merrill Lynch, Chase Securities and Morgan Stanley, the "Agents" and individually, an "Agent"), pursuant to a Distribution Agreement dated May 3, 1995 and amended as of June 6, 1997 (as amended, supplemented or otherwise modified, the "Distribution Agreement") between the Company and the Agents. The Distribution Agreement provides both for the sale of Notes by the Company to one or more of the Agents as principal for resale to investors and other purchasers and for the sale of Notes by the Company directly to investors (as may from time to time be agreed to by the Company and the related Agent or Agents) in which case the Agents will act as agents of the Company in soliciting Note purchases. Each sale of Notes will be made in accordance with terms agreed upon by the related Agent or Agents and the Company in a Terms Agreement in the form included in Exhibit A to the Distribution Agreement. Only those provisions in these Administrative Procedures that are applicable to the particular role that an Agent will perform shall apply.

The Notes will be issued pursuant to an Indenture, dated as of November 1, 1995 (the "Indenture"), between the Company and The Chase Manhattan Bank (as successor in interest to The Chase Manhattan Bank (National Association)), as trustee with respect to the Notes (the "Trustee"). In accordance with the provisions of the Indenture, the Trustee will act as Authenticating Agent, Transfer Agent and Paying Agent with respect to the Notes. Unless the context otherwise requires, references herein to the Indenture include the form of Note adopted in accordance with the terms of the Indenture.

A Registration Statement on Form S-3 (No. 33-64225) (the "Registration Statement") with respect to debt securities, including the Notes, has been filed under the Securities Act of 1933, as amended (the "1933 Act") with the Securities and Exchange Commission (the "Commission") and declared effective on January 23, 1996. The most recent base Prospectus included in the Registration Statement, as supplemented by the Prospectus Supplement dated June 9, 1997 with respect to the Notes, is herein referred to as the "Prospectus". The most recent supplement to the

Prospectus setting forth the purchase price, interest rate and other terms of the Notes (as applicable) is herein referred to as the "Pricing Supplement".

The Notes will be issued in fully registered book-entry form and delivered to the Trustee, as custodian for The Depository Trust Company ("DTC"). The terms of the initial issuance of each Note will be recorded on Annex A to the book-entry note representing such Note. All other variable terms of the Notes in connection with remarketings will be maintained in the Trustee's records. Owners of beneficial interests in Notes issued in book-entry form will be entitled to physical delivery of Notes in certificated form equal in principal amount to their respective beneficial interests only upon certain limited circumstances described in the Prospectus.

As set forth in the Prospectus, the Company shall appoint one or more remarketing agents (each, a "Remarketing Agent" and, collectively, the "Remarketing Agents") with respect to the Notes pursuant to one or more remarketing agreements (collectively, the "Remarketing Agreement").

General procedures relating to the initial issuance of Notes are set forth in Part I hereof. Certain procedures relating to the remarketing of Notes are set forth in Part II hereof. Certain DTC procedures relating to the initial issuance and remarketing of Notes are set forth in Part III hereof. Procedures relating to the payment of principal and interest are set forth in Part IV hereof. Capitalized terms used herein that are not otherwise defined shall have the meanings ascribed thereto in the Indenture or the Notes, as the case may be.

The Administrative Procedures, dated as of May 3, 1996, relating to the Medium Term Notes shall apply to the Notes except as modified or superseded hereby. In the event of any discrepancy between these Administrative Procedures and the Distribution Agreement, the Remarketing Agreement, the Letter of Representations or the Indenture, the latter documents shall govern.

PART I: PROCEDURES FOR INITIAL ISSUANCE
OF NOTES

Preparation of Pricing Supplement: If any offer to purchase a Note is accepted by the Company, the Company will promptly prepare a Pricing Supplement reflecting the terms of such Note and file such Pricing Supplement with the Commission in accordance with Rule 424 under the 1933 Act. Information to be included in the Pricing Supplement shall include:

1. the name of the Company;
2. the title of the securities, including series designation;
3. the date of the Pricing Supplement and the dates of the Prospectus and Prospectus Supplement to which the Pricing Supplement relates;
4. the name of the Offering Agent (as hereinafter defined);
5. whether such Notes are being sold to the Offering Agent as principal or to an investor or other purchaser through the Offering Agent acting as agent for the Company;
6. with respect to Notes sold to the Offering Agent as principal, whether such Notes will be resold by the Offering Agent to investors and other purchasers (i) at a fixed public offering price of a specified percentage of their principal amount, (ii) at varying prices related to prevailing market prices at the time of resale to be determined by the Offering Agent or (iii) at 100% of their principal amount;
7. with respect to Notes sold to an investor or other purchaser through the Offering Agent acting as agent for the Company, whether such Notes will

- be sold at (i) 100% of their principal amount or (ii) at a specified percentage of their principal amount;
8. the Offering Agent's commission or underwriting discount;
 9. net proceeds to the Company;
 10. the Principal Amount, Original Issue Date, Stated Maturity, Initial Interest Rate, Initial Interest Rate Period, first Interest Rate Adjustment Date, Interest Payment Date(s) and Record Date(s) in respect of the Initial Interest Rate Period, and Redemption or Repayment provisions, if any, applicable to the Initial Interest Rate Period; and
 11. any other provisions of the Notes material to investors or other purchasers of the Notes not otherwise specified in the Prospectus.

One copy of such filed document will be sent by telecopy or overnight express (for delivery as soon as practicable following the trade, but in no event later than 11:00 a.m. New York City time, on the Business Day following the applicable trade date) to the Agent that made or presented the offer to purchase the applicable Note (in such capacity, the "Offering Agent") and the Trustee at the following applicable address: if to Merrill Lynch, to: Tritech Services, 40 Colonial Drive, Piscataway, New Jersey 08854, Attention: Prospectus Operations/Nachman Kimerling, Telephone: (908) 885-2768, Telecopier: (908) 885-2774/5/6; If to Chase Securities, to: 270 Park Avenue, 8th Floor New York, New York 10017, Attention: Medium-Term Note Desk, Telephone: (212) 834-4421, Telecopier: (212) 834-6081; If to Morgan Stanley, to: 1585 Broadway, 2nd Floor, New York, New York 10036, Attention: Medium-Term Note Trading Desk, Carlos Cabrera, Telephone: (212) 761-2000, Telecopier: (212) 761-8846; if to First Chicago, to: One First National Plaza, Suite 0463,

Chicago, Illinois 60670, Attention: Richard Morton, (312) 732-5576, telecopier: (312) 732-1033; if to the Trustee, to: The Chase Manhattan Bank, 450 W. 33rd Street, New York, New York 10001, Attention: Global Trust Services - 15th Floor, Attention: Joanne Adamis, (212) 946-3040, telecopier: (212) 946-8156. For record keeping purposes, one copy of each Pricing Supplement, as so filed, shall also be mailed or telecopied to Brown & Wood LLP at One World Trade Center, New York, New York 10048, Attention: John Newman, Telephone: (212) 839-5336, Telecopier: (212) 839-5599.

In each instance that a Pricing Supplement is prepared, the Offering Agent will provide a copy of such Pricing Supplement to each investor or purchaser of the relevant Notes or its agent. Pursuant to Rule 434 ("Rule 434") under the 1933 Act, the Pricing Supplement may be delivered separately from the Prospectus. Outdated Pricing Supplements (other than those retained for files) will be destroyed.

Settlement:

The receipt of immediately available funds by the Company in payment for a Note and the authentication and delivery of such Note shall, with respect to such Note, constitute "settlement." Offers accepted by the Company will be settled in three Business Days, or at a time as the purchaser, the applicable Agent and the Company shall agree, pursuant to the timetable for settlement set forth below under "Settlement Procedures" (each such date fixed for settlement is hereinafter referred to as a "Settlement Date"). If procedures A and B of the Settlement Procedures with respect to a particular offer are not completed on or before the time set forth under the "Settlement Procedures Timetable," such offer shall not be settled until the Business Day following the completion of settlement procedures A and B or such later date as the purchaser, the applicable Agent and the Company shall agree.

The foregoing settlement procedures may be modified, with respect to any purchase of Notes by an Agent as principal, if so agreed by the Company and such Agent.

Delivery of Prospectus and applicable Pricing Supplement:

A copy of the most recent Prospectus covering the Notes and applicable Pricing Supplement must accompany or precede the earlier of (a) the written confirmation of a sale sent to an investor or other purchaser or its agent and (b) the delivery of Notes to an investor or other purchaser or its agent. Delivery of the Prospectus and Pricing Supplement shall be the responsibility of the Offering Agent.

Settlement Procedures:

Settlement Procedures with regard to each Note purchased by each Agent, as principal, or sold by each Agent, as agent of the Company, will be as follows:

- A. The Offering Agent will advise the Company by telephone, confirmed by facsimile or appropriate electronic media, of the following Settlement information:
1. Principal amount of the Note.
 2. Initial Interest Rate, Initial Interest Rate Period, first Interest Rate Adjustment Date, Interest Payment Date(s) and Record Date(s) in respect of the Initial Interest Rate Period, and Redemption or Repayment provisions, if any, applicable to the Initial Interest Rate Period.
 3. Price to public, if any, of the Note (or whether the Note is being offered at varying prices relating to prevailing market prices at time of resale as determined by the Offering Agent).
 4. Trade Date.
 5. Settlement Date (Original Issue Date).

6. Stated Maturity.
 7. Net proceeds to the Company.
 8. The Offering Agent's commission or underwriting discount.
 9. Whether such Note is being sold to the Offering Agent as principal or to an investor or other purchaser through the Offering Agent acting as agent for the Company.
 10. Whether such Note is being issued at a discount and the terms thereof (provided that no Note shall be issued with "original issue discount" within the meaning of the Internal Revenue Code of 1986, as amended).
 11. Identification number of DTC participant account maintained on behalf of the Offering Agent.
 12. Such other information specified with respect to the Note.
- B. The Trustee will assign a CUSIP number to the Note (which CUSIP number assigned to each Note shall consist of the base issuer number and three additional positions to form a CUSIP number unique to that issuance) after being advised by the Company by facsimile transmission or other electronic transmission of the above settlement information received from the Offering Agent and the name of the Offering Agent. Such transmission shall be accompanied or immediately followed by a Company Order instructing the Trustee to authenticate the book-entry note representing the Note and record the initial terms of the Note on Annex A in accordance with the terms of the Notes.

C. The Trustee will communicate to DTC and the Offering Agent through DTC's Participant Terminal System same-day settlement issuance instructions specifying the following settlement information:

1. The information set forth in Settlement Procedure A.
2. Identification numbers of the participant accounts maintained by DTC on behalf of the Trustee and the Offering Agent.
3. Initial Interest Payment Date for such Note, number of days by which such date succeeds the related record date for DTC purposes and, if then calculable, the amount of interest payable on such Interest Payment Date.
4. CUSIP number of the Note.
5. Such other information as DTC may require in accordance with its procedures as in effect from time to time in order to enter an SDFS (as defined in Part III below) deliver order through DTC's Participant Terminal System (i) debiting such Note to the Trustee's participant account and crediting such Note to the participant account of the Offering Agent maintained by DTC and (ii) debiting the settlement account of the Offering Agent and crediting the settlement account of the Trustee maintained by DTC, in an amount equal to the price of such Note less such Offering Agent's discount or underwriting commission, as applicable.

DTC will arrange for each pending deposit

REMARKETING AGREEMENT

This REMARKETING AGREEMENT, dated as of June 6, 1997 (the "Remarketing Agreement"), is among Newell Co., a Delaware corporation (the "Company"), Merrill Lynch, Pierce, Fenner & Smith Incorporated, Chase Securities Inc., First Chicago Capital Markets, Inc. and Morgan Stanley & Co. Incorporated (each being herein a "Remarketing Agent" and, collectively, the "Remarketing Agents").

WHEREAS, the Company may issue Medium-Term Notes, Series A, with interest rates to be established periodically by a Remarketing Agent as contemplated herein (the "Notes"), under an Indenture, dated as of November 11, 1995 (the "Indenture"), between the Company and The Chase Manhattan Bank (as successor in interest to The Chase Manhattan Bank, N.A.), as trustee (the "Trustee"), which Indenture has been duly qualified under the Trust Indenture Act of 1939, as amended (the "1939 Act");

WHEREAS, the Company has filed with the Securities and Exchange Commission (the "Commission") a shelf registration statement on Form S-3 (No. 33-64225) under the Securities Act of 1933, as amended (the "1933 Act"), in connection with the offering of debt securities, which registration statement was declared effective by order of the Commission on January 23, 1996, and has filed such amendments thereto and such amended prospectuses as may have been required to the date hereof and will file such additional amendments thereto and such additional amended prospectuses as may hereafter be required;

WHEREAS, the Notes will be initially sold pursuant to a distribution agreement, dated May 3, 1996, and amended as of June 6, 1997, among Merrill Lynch, Pierce, Fenner & Smith Incorporated, Chase Securities Inc., First Chicago Capital Markets, Inc. and Morgan Stanley & Co. Incorporated (the "Distribution Agreement");

WHEREAS, the Company intends by this Remarketing Agreement to appoint, on a non-exclusive basis, each Remarketing Agent to act as a remarketing agent with respect to the Notes for the purpose of (i) setting the interest rate or rates and the Spread (if any) and/or Spread Multiplier (if any) for such Notes, (ii) remarketing such Notes from time to time on behalf of the persons who acquire an interest in the Notes ("Beneficial Owners") which is reflected on the records of the Depository through its participants ("DTC Participants") and (iii) accepting tendered Notes for remarketing and receiving payment, or using reasonable efforts to cause the Trustee to receive payment, of the purchase price for Notes subject to remarketing and paying Beneficial Owners on whose behalf such Notes were remarketed; and

WHEREAS, each Remarketing Agent is willing to assume such duties on the terms and conditions expressly set forth herein;

NOW, THEREFORE, for and in consideration of the covenants herein made, and subject to the conditions herein set forth, the parties hereto agree as follows:

Section 1. DEFINITIONS. Capitalized terms used and not defined in this Remarketing Agreement shall have the meanings assigned to them in the Notes.

Section 2. REPRESENTATIONS AND WARRANTIES. (a) The Company represents and warrants to each Remarketing Agent as of the date hereof and as of each Interest Rate Adjustment Date for each Interest Rate Period that (i) it has made all the filings with the SEC that it is required to make under the 1934 Act and the 1934 Act Regulations (collectively, the "1934 Act Documents"), that each 1934 Act Document complied in all material respects with the requirements of the 1934 Act and 1934 Act Regulations, and each 1934 Act Document did not, and will not, at the time of filing with the SEC, as of the date hereof and as of each Interest Rate Adjustment Date, and as of each Interest Rate Adjustment Date the applicable Remarketing Materials (as defined herein) will not, include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were, not misleading, and (ii) no consent, approval, authorization, order or decree of any court or governmental agency or body, including as to an effective registration statement under the 1933 Act with respect to the Notes, is required for the consummation by the Company of the transactions contemplated by this Remarketing Agreement or in connection with the remarketing of Notes pursuant hereto, except such as have been obtained or rendered, as the case may be.

(b) The Company represents and warrants to each Remarketing Agent as of the date hereof, as of each date on which the interest rate for a Long Term Rate Period is established and as of each Interest Rate Adjustment Date for a Long Term Rate Period (each such date being hereinafter referred to as a "Representation Date"), as follows:

(i) DUE INCORPORATION AND QUALIFICATION. 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 1934 Act Documents and to enter into and perform its obligations under this Remarketing Agreement; 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 and be in good standing would not have a material adverse effect on the condition, financial or otherwise, or the results of operations, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise.

(ii) SUBSIDIARIES. Each subsidiary of the Company which is a "significant subsidiary" as defined in Rule 405 of Regulation C of the 1933 Act Regulations (collectively, the "Significant Subsidiaries") 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 conduct its business as described in the 1934 Act Documents and 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 and be in good standing would not have a material adverse effect on the condition, financial or otherwise, or the results of operations, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise; and, except as disclosed in the 1934 Act Documents, all of the issued and outstanding capital stock of each Significant Subsidiary has been duly authorized and validly issued, is fully paid and non-assessable and, except for directors' qualifying shares (if applicable), is owned by the Company, directly or through subsidiaries, free and clear of any security interest, mortgage, pledge, lien, encumbrance or claim.

(iii) ACCOUNTANTS. The accountants who certified the financial statements included or incorporated by reference in the 1934 Act Documents are independent public accountants within the meaning of the 1933 Act and the 1933 Act Regulations.

(iv) FINANCIAL STATEMENTS. The financial statements and any supporting schedules of the Company and its subsidiaries included or incorporated by reference in the 1934 Act Documents present fairly the consolidated financial position of the Company and its subsidiaries as of the dates indicated and the consolidated results of their operations for the periods specified; except as stated therein, said financial statements have been prepared in conformity with U.S. generally accepted accounting principles applied on a consistent basis; and the supporting schedules included or incorporated by reference in the 1934 Act Documents present fairly the information required to be stated therein.

(v) AUTHORIZATION AND VALIDITY OF THIS REMARKETING AGREEMENT, THE INDENTURE AND THE NOTES. This Remarketing Agreement has been duly authorized, executed and delivered by the Company and, upon execution and delivery by the Remarketing Agents, will be a valid and legally binding agreement of the Company; the Indenture has been duly authorized, executed and delivered by the Company and is a valid and legally binding agreement of the Company enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting enforcement of creditors' rights generally or by general equity principles, and except further as enforcement thereof may be limited by (1) requirements that a claim with respect to any Notes denominated other than in U.S. dollars (or a foreign currency or composite currency 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 (2) governmental authority to limit, delay or prohibit the making of payments outside the United States. The Notes, when issued, authenticated and delivered pursuant to the Indenture and the Officer's Certificate (as defined in the Indenture) applicable thereto against payment of the consideration therefor, will constitute valid and legally binding obligations of the Company enforceable in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting enforcement of creditors' rights generally or by general equity principles, and except further as enforcement thereof may be limited by (1) requirements that a claim with

respect to any Notes denominated other than in U.S. dollars (or a foreign currency or composite currency 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 (2) governmental authority to limit, delay or prohibit the making of payments outside the United States. Each Holder (as defined in the Indenture) of Notes will be entitled to the benefits of the Indenture.

(vi) MATERIAL ADVERSE CHANGES OR MATERIAL TRANSACTIONS. Since the respective dates as of which information is given in the 1934 Act Documents, except as may otherwise be stated therein or contemplated thereby, (1) there has been no material adverse change in the condition, financial or otherwise, or in the results of operations, 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 and (2) there have been no material transactions entered into by the Company or any of its subsidiaries other than those in the ordinary course of business.

(vii) NO DEFAULTS. Neither the Company nor any of its Significant Subsidiaries is in violation of its charter or in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, loan agreement, note, lease or other instrument to which it is a party or by which it or any of them or their properties may be bound, where the consequences of such violation or default would have a material adverse effect on the condition, financial or otherwise, or the results of operations, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise; and the execution and delivery of this Remarketing Agreement and the Indenture and the consummation of the transactions contemplated herein and therein have been duly authorized by all necessary corporate action of the Company and will not conflict with or constitute a breach of, or 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 instrument to which the Company or any of its Significant Subsidiaries is a party or by which it or any of them may be bound or to which any of the property or assets of the Company or any such subsidiary is subject, nor will such action result in any violation of the provisions of the charter or by-laws of the Company or any law, administrative regulation or administrative or court order or decree of any court or governmental agency, authority or body or any arbitrator having jurisdiction over the Company.

(viii) LEGAL PROCEEDINGS. Except as may be included or incorporated by reference in the 1934 Act Documents, 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 will, in the opinion of the Company, result in any material adverse change in the condition, financial or otherwise, or in the results of operations, business affairs or business

prospects of the Company and its subsidiaries considered as one enterprise, or will materially and adversely affect the properties or assets thereof or will materially and adversely affect the consummation of this Remarketing Agreement or the Indenture or any transaction contemplated hereby or thereby.

(ix) INVESTMENT COMPANY ACT OF 1940 NOT APPLICABLE. The Company is not an "investment company" or a "company controlled by an investment company" within the meaning of the Investment Company Act of 1940, as amended.

(c) ADDITIONAL CERTIFICATIONS. Any certificate signed by any director or officer of the Company and delivered to one or more Remarketing Agents or to counsel for the Remarketing Agents in connection with a remarketing of Notes by one or more Remarketing Agents shall be deemed a representation and warranty by the Company to such Remarketing Agent or Agents as to the matters covered thereby.

Section 3. COVENANTS OF THE COMPANY. The Company covenants with each Remarketing Agent as follows:

(a) The Company will provide prompt notice to the Remarketing Agents of any notification by a rating agency with regard to the ratings of any securities of the Company.

(b) The Company will furnish to each Remarketing Agent:

(i) the Registration Statement and the Prospectus relating to the Notes (including in each case any amendment or supplement thereto and each document incorporated therein by reference);

(ii) each 1934 Act Document filed after the date hereof;

(iii) notice of the occurrence of any of the events set forth in clause (c) of Section 8 hereof; and

(iv) in connection with each remarketing of Notes, such other information as each of such Remarketing Agents may reasonably request from time to time; provided the Company is not obligated to provide any material non-public information unless such information relates to any material adverse change or any event or situation which could reasonably be expected to result in a material adverse change in the financial condition, results of operations or business affairs of the Company and its subsidiaries considered as one enterprise; and provided further that information provided by the Company pursuant hereto may only be distributed to holders and potential holders of Notes by a Remarketing Agent with the prior approval of the Company as to the form and content of such information.

The Company agrees to provide each of the Remarketing Agents with as many copies of the foregoing written materials and other Company approved information as the Remarketing Agents may reasonably request for use in connection with each remarketing of Notes and consents to the use thereof for such purpose.

(c) If, at any time during which the Remarketing Agent would be obligated to take any action under this Remarketing Agreement, any event or condition known to the Company relating to or affecting the Company, any subsidiary thereof or the Notes shall occur which could reasonably be expected to affect the accuracy or completeness of any statement of a material fact contained in any of the reports, documents, materials or information referred to in paragraph (b) above or any document incorporated therein by reference (collectively, the "Remarketing Materials"), the Company shall promptly notify each of the Remarketing Agents in writing of the circumstances and details of such event or condition unless the Company, in its sole discretion reasonably exercised, determines that it is not required to disclose such information pursuant to the 1934 Act or the 1934 Act Regulations.

(d) Notwithstanding any other provision of this Remarketing Agreement, a Remarketing Agent may resign and be discharged from its duties and obligations hereunder at any time if, in its sole discretion, it determines that it lacks the information or the ability to distribute the information necessary to perform its obligations hereunder or to comply with applicable laws and regulations in connection therewith, such resignation to be effective upon delivery of notice to the Company, the Trustee and the other Remarketing Agents, if any, of such resignation; provided that no Remarketing Agent shall resign with respect to any Note between 12:15 p.m., New York City time, and the close of business on any Interest Rate Adjustment Date for such Note.

Section 4. APPOINTMENT AND OBLIGATIONS OF THE REMARKETING AGENTS.

(a) The Company hereby appoints, on a non-exclusive basis, each Remarketing Agent, and each Remarketing Agent hereby accepts such appointment as to each Note for each remarketing for which it is designated and has accepted in accordance with the following sentence, as the remarketing agent with respect to the Notes for the purpose of (i) setting the interest rate or rates and the Spread (if any) and/or the Spread Multiplier (if any) for such Notes, (ii) remarketing such Notes from time to time on behalf of the Beneficial Owners thereof and (iii) accepting such tendered Notes for remarketing and receiving payment, or using reasonable efforts to cause the Trustee to receive payment, of the purchase price for such Notes subject to remarketing and paying Beneficial Owners on whose behalf such Notes were remarketed.

In connection with the remarketing on each Interest Rate Adjustment Date for each Note, the Company shall designate the Remarketing Agent therefor by notice (confirmed in writing) to such Remarketing Agent; which designation shall become effective only upon acceptance thereof (confirmed in writing) by the applicable Remarketing Agent. Unless otherwise agreed by the Company and the applicable Remarketing Agent(s) in writing, notice of designation shall be made

and accepted not less than eight Business Days prior to (x) the applicable Interest Rate Adjustment Date, in the case of a Note being remarketed into a Short Term Rate Period, or (y) the third Business Day preceding the applicable Interest Rate Adjustment Date, in the case of a Note being remarketed into a Long Term Rate Period.

Subject to the foregoing and to Section 6 hereof, the Company reserves the right to appoint or replace the Remarketing Agent with respect to any issue of Notes at any time.

(b) As to each Note for which it has been designated as Remarketing Agent in accordance with the preceding Section 4(a), each Remarketing Agent agrees to (i) use its reasonable efforts to set the interest rate for such Note and the Spread (if any) and/or the Spread Multiplier (if any) in the Interest Rate Mode, and on the other terms, selected by the Company, which rate shall be the lowest rate necessary in the judgment of such Remarketing Agent to remarket such Note on such date of determination at a price equal to 100% of the principal amount thereof, (ii) notify the Company and the Trustee promptly of such interest rate and the Spread (if any) and the Spread Multiplier (if any) for such Note and the other information specified in clause (e) below with respect to the next Interest Rate Period for such Note, (iii) use its reasonable efforts to remarket each Note tendered to such Remarketing Agent in remarketings held from time to time and (iv) accept tendered Notes for remarketing and receive payment, or use its reasonable efforts to cause the Trustee to receive payment, of the purchase price for Notes subject to remarketing and pay or cause to be paid Beneficial Owners on whose behalf such Notes were remarketed.

(c) It is expressly understood and agreed by the parties hereto that no Remarketing Agent shall be obligated to set the interest rate or the Spread or Spread Multiplier on any Notes or to remarket any Notes or perform any of the other duties set forth herein at any time that any of the conditions set forth in clause (a) or (b) of Section 8 hereof shall not have been fully and completely met to the satisfaction of the Remarketing Agent or at any time any of the events set forth in clause (c) of Section 8 hereof shall have occurred.

(d) In connection with any Note that is being remarketed into a Short Term Rate Period on the next Interest Rate Adjustment Date for such Remarketed Note, by 12:00 p.m., New York City time, on such Interest Rate Adjustment Date, the applicable Remarketing Agent will determine the interest rate for such Note to the nearest one thousandth (0.001) of one percent per annum for the Interest Rate Period in which such Interest Rate Adjustment Date falls.

In connection with any Note that is being remarketed into a Long Term Rate Period on the next Interest Rate Adjustment Date for such Note, by 4:00 p.m., New York City time, on the third Business Day preceding such Interest Rate Adjustment Date, the applicable Remarketing Agent will determine the interest rate for such Note to the nearest one thousandth (0.001) of one percent per annum for the next Interest Rate Period, in the case of a fixed interest rate, and the Spread, if any, or the Spread Multiplier, if any, in the case of a floating interest rate; provided that, if for any reason the Remarketing Agent is unable to determine such interest rate by such time, the next Interest Rate

Period for such Note shall be a Weekly Rate Period or such other Short Term Rate Period as the Company may determine by 9:30 a.m., New York City time, on such Interest Rate Adjustment Date.

In determining the applicable interest rate for any Notes and other terms, the applicable Remarketing Agent will, after taking into account market conditions as reflected in the prevailing yields on fixed and variable rate taxable debt securities, (i) consider the principal amount of the Notes tendered or to be tendered on the applicable Interest Rate Adjustment Date and the principal amount of such Notes prospective purchasers are or may be willing to purchase and (ii) contact, by telephone or otherwise, prospective purchasers and ascertain the interest rates or, if applicable, the Spread and/or Spread Multiplier therefor at which they would be willing to hold or purchase such Notes.

(e) By 12:30 p.m., New York City time, on the Interest Rate Adjustment Date for any Note, the applicable Remarketing Agent will notify the Company and the Trustee in writing (including facsimile or appropriate electronic media) of (i) the interest rate or, in the case of a floating interest rate, the initial interest rate and the Initial Interest Reset Date, the Spread and the Spread Multiplier, and the next Interest Rate Adjustment Date applicable to such Note, (ii) the Interest Payment Dates (in the case of Notes being remarketed in the Long Term Rate Mode), (iii) the aggregate principal amount of all tendered Notes for which such Remarketing Agent is responsible hereunder on such date, (iv) the aggregate principal amount of tendered Notes that such Remarketing Agent was able to remarket, at a price equal to 100% of the principal amount thereof, and (v) such other information as the Trustee may require for settlement purposes. The Trustee has agreed to transmit to the Depository such information as the Depository may require for settlement purposes in accordance with the Depository's procedures as in effect from time to time.

(f) By telephone or in writing (including facsimile) not later than approximately 1:00 p.m., New York City time, on such Interest Rate Adjustment Date, the applicable Remarketing Agent will advise each purchaser of Notes remarketed on such date (or the DTC Participant of each such purchaser who it is expected in turn will advise such purchaser) of the principal amount of Notes that such purchaser is to purchase.

(g) Each Remarketing Agent will use its reasonable efforts to facilitate payment by the applicable purchasers to the Trustee for payment to the DTC Participant of each tendering Beneficial Owner of Notes subject to a remarketing, by book entry through the Depository by the close of business on the Interest Rate Adjustment Date against delivery through the Depository of such Beneficial Owner's tendered Notes, of the purchase price for such tendered Notes that have been sold in the remarketing. The Trustee has agreed to make such payment to the Depository for payment to the DTC Participant subject to receipt of payment from the purchaser, and, if any such Notes were subject to purchase as provided in clause (h) of this Section 4, to pay to the Depository for payment to the DTC Participant of each tendering Beneficial Owner thereof, subject to receipt of payment from the Company as provided in clause (h), the purchase price of such Notes plus accrued interest, if any, to such date.

(h) By 12:15 p.m., New York City time, on any Interest Rate Adjustment Date, the applicable Remarketing Agent shall notify the Company and the Trustee, in writing (including facsimile), of the principal amount of Notes that such Remarketing Agent was unable to remarket at a price equal to 100% of the principal amount thereof on such date. Such notice will constitute a demand on the Company to purchase such unremarketed Notes at a price equal to the outstanding principal amount thereof. The Company thereupon will be obligated under the terms of the Notes to purchase such unremarketed Notes. The Company shall deposit same-day funds with the Trustee by 3:00 p.m., New York City time, on such Interest Rate Adjustment Date, in an amount equal to the principal amount of such unremarketed Notes plus accrued interest thereon. Notwithstanding any other provision of this Remarketing Agreement to the contrary, the Trustee and the Remarketing Agents shall not utilize any funds advanced by the Company for the purchase of unremarketed Notes for which the Company shall not have deposited accrued and unpaid interest in accordance with the preceding sentence.

(i) The applicable Remarketing Agent shall supply to any Beneficial Owner upon request information regarding the interest rate, Spread (if any), Spread Multiplier (if any), Interest Rate Mode, Interest Rate Period, the next Interest Rate Adjustment Date and other terms applicable to such Beneficial Owner's Notes.

(j) The Remarketing Agents may, in accordance with the Notes, modify the settlement and remarketing procedures set forth in or pursuant to the Notes in order to facilitate the settlement and remarketing process.

(k) In the case of any Note being redeemed on an Interest Rate Adjustment Date therefor, the Company shall give the applicable Remarketing Agent and the Trustee written notice of such redemption prior to the time the interest rate applicable to the next Interest Rate Period for such Note is established by such Remarketing Agent. In any other case, the Company shall give the Remarketing Agents and the Trustee written notice of redemption of any Note at least two business days prior to the date notice is required to be given to Holders. In addition, the Company shall give each Remarketing Agent designated as such in accordance with Section 4(a) hereof with respect to any Note being repaid at the option of the Holder thereof and the Trustee notice as soon as practicable, and in any event not later than twelve Business Days prior to the next succeeding Interest Rate Adjustment Date therefor of each such Note which will be repaid by the Company at the option of the Holder thereof on or prior to such Interest Rate Adjustment Date. Each Remarketing Agent's obligation to remarket any Note shall terminate immediately upon receipt by it from the Company of any notice of redemption or repayment thereof.

Section 5. FEES AND EXPENSES. For its services in performing its duties set forth under Section 4(a) hereof and in determining the interest rate and remarketing Notes, the Remarketing Agents will be entitled to receive a fee as described below. With respect to Notes in the Short Term Rate Mode, unless otherwise agreed by the Company and the applicable Remarketing Agent(s) in writing, the Company shall pay to the Remarketing Agents on January 15, April 15, July 15, and October 15 of each year a fee equal to ___% of the average outstanding principal amount of Notes in the Short Term Rate Mode during the immediately preceding calendar quarter which fee shall be allocated or paid to each Remarketing Agent as follows: each Remarketing Agent shall

receive a pro rata portion of the fee, with respect to each Note in the Short Term Rate Mode during each calendar quarter, based on the number of days from, and including, the Interest Rate Adjustment Date on which such Note is remarketed by such Remarketing Agent (or the first day of the calendar quarter, if such Interest Rate Adjustment Date precedes such calendar quarter) to, but excluding, the next Interest Rate Adjustment Date, if any, on which such Note is remarketed by a different Remarketing Agent (or to, and including, the last day of the calendar quarter, if such next Interest Rate Adjustment Date, if any, occurs after the end of such calendar quarter). If any Notes in the Short Term Mode shall have been redeemed, repurchased, purchased pursuant to the Special Mandatory Purchase Right or converted to a Long Term Rate Period during any quarterly period, the fee with respect to those Notes for such quarterly period shall be payable on such redemption date, repurchase date, purchase date or conversion date, as the case may be. The fee payable by the Company to the Remarketing Agents with respect to Notes in any Long Term Rate Period shall be determined by mutual agreement in writing of the Company and the applicable Remarketing Agent. A Remarketing Agent may pay to selected broker-dealers a portion of any fees described above, reflecting Notes sold through such broker-dealers to purchasers in remarketings. In addition to its obligations under Section 9 hereof, the Company shall, from time to time upon the request of the Remarketing Agent, pay the reasonable fees and expenses of counsel incurred by the Remarketing Agent in connection with the performance of its duties hereunder. The obligations of the Company to make the payments required by this Section 5 shall survive the termination of this Remarketing Agreement and remain in full force and effect until all such payments shall have been made in full.

Section 6. RESIGNATION AND REMOVAL OF THE REMARKETING AGENTS. (a) A Remarketing Agent may resign and be discharged from its duties and obligations hereunder at any time, such resignation to be effective 30 days after delivery of notice to the Company, the Trustee and each other Remarketing Agent of such resignation; PROVIDED, HOWEVER, that if (i) such resigning Remarketing Agent shall then be the sole Remarketing Agent or (ii) all of the remaining Remarketing Agents elect to resign or are removed within one week of delivery of such notice, then, except as provided in the following sentence, no such resignation shall become effective until the Company shall have appointed at least one broker-dealer as successor Remarketing Agent and such successor Remarketing Agent shall have entered into a remarketing agreement with the Company in which it shall have agreed to conduct remarketings in accordance with the terms and conditions of the Notes. In such case, the Company will use its best efforts to appoint a successor Remarketing Agent and enter into such a remarketing agreement with such person as soon as reasonably practicable; PROVIDED, HOWEVER, that, if the Company has not so appointed a successor Remarketing Agent within 90 days of delivery of notice as provided above, this Remarketing Agreement shall automatically terminate on such 90th day. Only the Company may, and shall have the obligation to, appoint a successor Remarketing Agent.

(b) The Company may in its absolute discretion remove a Remarketing Agent by giving at least 30 days' prior notice to such Remarketing Agent, the Trustee and each other Remarketing Agent; PROVIDED, HOWEVER, that if (i) such removed Remarketing Agent shall then be the sole Remarketing Agent or (ii) all of the remaining Remarketing Agents elect to resign or are removed within one week of delivery of such notice, then, except as provided in the following

sentence, no such removal shall become effective until the Company shall have appointed a broker-dealer as successor Remarketing Agent and such successor Remarketing Agent shall have entered into a remarketing agreement with the Company in which it shall have agreed to conduct remarketings in accordance with the terms and conditions of the Notes. In such case, the Company will use its best efforts to appoint a successor Remarketing Agent and enter into such a remarketing agreement with such person as soon as reasonably practicable; PROVIDED, HOWEVER, that, if the Company has not so appointed a successor Remarketing Agent within 90 days of delivery of notice as provided above, this Remarketing Agreement shall automatically terminate on such 90th day.

(c) The Company may appoint additional Remarketing Agents by giving at least 30 days prior notice to each Remarketing Agent and the Trustee. Such appointment shall be effective upon the additional Remarketing Agent becoming a party to this Remarketing Agreement or entering into such other written agreement as is substantially similar to this Remarketing Agreement or otherwise reasonably satisfactory to the Company, such other Remarketing Agent and the Trustee.

Section 7. DEALING IN THE NOTES; REDEMPTION OF REMARKETING AGENTS' NOTES. (a) Each Remarketing Agent, when acting as a Remarketing Agent, and in its individual or any other capacity, may, to the extent permitted by law, buy, sell, hold and deal in any of the Notes. Notwithstanding the foregoing, no Remarketing Agent shall be obligated to purchase any Notes that would otherwise remain unsold in a remarketing. If any Remarketing Agent holds any Notes immediately prior to a remarketing of such Notes and if all other Notes tendered for sale by Beneficial Owners other than such Remarketing Agent have been sold in such remarketing, then such Remarketing Agent may sell such number of its Notes in such remarketing as there are outstanding orders to purchase that have not been filled by Notes tendered for sale by Beneficial Owners other than such Remarketing Agent. Each Remarketing Agent, as Holder of the Notes, may exercise any vote or join as a Holder in any action which any Holder of Notes may be entitled to exercise or take pursuant to the Indenture with like effect as if it did not act in any capacity hereunder. Each Remarketing Agent, in its capacity either as principal or agent, may also engage in or have an interest in any financial or other transaction with the Company as freely as if it did not act in any capacity hereunder.

(b) The Company may purchase Notes in a remarketing, provided that the interest rate established with respect to Notes in such remarketing is not different from the interest rate that would have been established if the Company had not purchased such Notes.

Section 8. CONDITIONS TO THE REMARKETING AGENT'S OBLIGATIONS. The obligations of each Remarketing Agent under this Remarketing Agreement have been undertaken in reliance on, and shall be subject to, (a) the due performance in all material respects by the Company of its obligations and agreements as set forth in this Remarketing Agreement and the accuracy of the representations and warranties in this Remarketing Agreement and any certificate delivered pursuant hereto, (b) the due performance in all material respects by the Company of its obligations and agreements set forth in, and the accuracy in all material respects as of the dates specified therein of

the representations and warranties contained in, the Distribution Agreement and (c) the further conditions that (i) none of the following events shall exist at any time during which a Remarketing Agent would otherwise be obligated to take any action under this Remarketing Agreement:

(1) all of the Notes for which such Remarketing Agent is responsible hereunder shall have been called for redemption, tendered for repurchase or purchased pursuant to a Special Mandatory Purchase;

(2) without the prior written consent of such Remarketing Agent, the Indenture or the Notes shall have been amended in any manner, or otherwise contain any provision not contained therein as of the date hereof, that in either case in the reasonable opinion of such Remarketing Agent materially changes the nature of the Notes or the remarketing procedures (it being understood that notwithstanding the provisions of this clause (2) the Company shall not be prohibited from amending such documents);

(3) a suspension or material limitation in trading in securities generally on either the American Stock Exchange or the New York Stock Exchange or the suspension of trading of the Company's securities on any exchange shall have occurred or a banking moratorium shall have been declared by federal, or New York, authorities;

(4) any outbreak or escalation of major hostilities, any declaration of war by Congress or any other substantial calamity or emergency shall have occurred; or

(5) a material adverse change or any development which could reasonably be expected to result in a material adverse change in the financial condition, results of operations or business affairs of the Company and its subsidiaries considered as one enterprise shall have occurred; and

(ii) with respect to any remarketing of any Note, between the time at which the interest rate for such Note is determined and the time at which the payment for such Note is to be made, the rating of the Notes shall not have been downgraded or put on CREDITWATCH or WATCH LIST with negative implications or withdrawn by a national rating service, the effect of which, in the opinion of such Remarketing Agent, is to affect materially and adversely the market price of the Notes or such Remarketing Agent's ability to remarket the Notes.

In the event of the failure of any of such conditions, the applicable Remarketing Agent may terminate its obligations under this Remarketing Agreement as provided in Section 11(b).

Section 9. INDEMNIFICATION. (a) The Company agrees to indemnify and hold harmless each Remarketing Agent and its respective officers, directors and employees and each person, if any, who controls any such party within the meaning of Section 20 of the 1934 Act as follows:

(i) from and against any loss, liability, claim, damage and expense whatsoever, as incurred, to which any indemnified party may become subject insofar as such loss, liability, claim, damage and expense (or actions in respect thereof) arise out of, or are based upon, (A) the failure to have an effective registration statement under the 1933 Act relating to the Notes, if required, or the failure to satisfy the prospectus delivery requirements of the 1933 Act because the Company failed to notify such Remarketing Agent, of such delivery requirement or failed to provide such Remarketing Agent with an updated Prospectus for delivery, or (B) any untrue statement or alleged untrue statement of a material fact contained in any of the Remarketing Materials (including any incorporated documents), or (C) the omission or alleged omission to state a material fact required to be stated in the Remarketing Materials or any revision thereof or necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading, or (D) any violation by the Company of, or any failure by the Company to perform any of its obligations under, this Remarketing Agreement, or (E) the duties such Remarketing Agent performs hereunder except that is finally judicially determined to be due to its gross negligence or willful misconduct;

(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 investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever arising out of, or based upon, any of items (A) through (E) in clause (i) above; provided that such settlement is effected with the written consent of the Company, which consent shall not be unreasonably withheld; and

(iii) against any and all expense whatsoever, as incurred (including the reasonable fees and disbursements of counsel chosen by such indemnified party), 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 arising out of, or based upon, any of items (A) through (E) in clause (i) above to the extent that any such expense is not paid under (i) or (ii) above;

PROVIDED, HOWEVER, that the foregoing indemnity shall not apply to any losses, liabilities, claims, damages and expenses to the extent arising out of any untrue statement or omission made in reliance upon and in conformity with written information furnished to the Company by the applicable Remarketing Agent expressly for use in the Remarketing Materials.

(b) Each Remarketing Agent severally agrees to indemnify and hold harmless the Company, its directors and each of its officers who signed the Registration Statement, from and against any loss, liability, claim, damage and expense, as incurred, but only with respect to untrue statements or omissions made in the Remarketing Materials in reliance upon and in conformity with information furnished to the Company in writing by such Remarketing Agent expressly for use in such Remarketing Materials. The indemnity agreement in this paragraph shall extend upon the same

terms and conditions to each person, if any, who controls the Company within the meaning of Section 20 of the 1934 Act.

(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 it 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 such action. In no event shall the indemnifying parties be liable for the 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 circumstances.

(d) The indemnity agreements contained in this Section 9 shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of any Remarketing Agent, and shall survive the termination or cancellation of this Remarketing Agreement and the remarketing of any Notes hereunder.

Section 10. CONTRIBUTION. In order to provide for just and equitable contribution in circumstances in which the indemnity agreement provided for in Section 9 hereof is for any reason held to be unenforceable by the indemnified parties although applicable in accordance with its terms, the Company and each Remarketing Agent, acting severally and not jointly, shall contribute to the aggregate losses, liabilities, claims, damages and expenses of the nature contemplated by said indemnity agreement incurred by the Company and the Remarketing Agents, as incurred, in such proportions that each Remarketing Agent is responsible for that portion represented by the percentage that the commissions and fees received by such Remarketing Agent in connection with such remarketing bears to the aggregate principal amount of such Notes outstanding at the time of such remarketing, and the Company is responsible for the balance. 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 a Remarketing Agent within the meaning of Section 20 of the 1934 Act shall have the same rights to contribution as such Remarketing Agent, 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 20 of the 1934 Act shall have the same rights to contribution as the Company. With respect to the Remarketing Agents, their respective obligations to contribute pursuant to this Section 10 are several in proportion to the principal amount of Notes remarketed by each such party and not joint.

Section 11. TERMINATION OF REMARKETING AGREEMENT.

(a) This Remarketing Agreement shall terminate as to each Remarketing Agent on the effective date of the resignation or removal of such Remarketing Agent pursuant to Section 6 hereof.

(b) In addition, each Remarketing Agent may terminate all of its obligations under this Remarketing Agreement by notifying the Company, the Trustee and the other Remarketing Agents, if any, of its election to do so, if any of the conditions referred to or set forth in Section 8 hereof have not been met or satisfied in full and such failure shall have continued for a period of 30 days after such Remarketing Agent has given notice thereof to the Company, the Trustee and the other Remarketing Agents, if any, specifying the condition which has not been met and requiring it to be met; PROVIDED, HOWEVER, that termination of this Remarketing Agreement by any Remarketing Agent after giving the required notices shall be immediate in the event of the occurrence and continuation of any event set forth in Section 8(c) hereof, or in the event such party determines, in its sole discretion in accordance with Section 3(d) hereof, after consultation with the Company, that it shall not have received, or lacks the ability to distribute, all of the information necessary to enable it to fulfill its obligations under this Remarketing Agreement and applicable law.

Section 12. REMARKETING AGENTS' PERFORMANCE; DUTY OF CARE. The duties and obligations of each Remarketing Agent shall be determined solely by the express provisions of this Remarketing Agreement, the Indenture (including the form of the Notes) and applicable law. No Remarketing Agent shall be responsible for the acts or omissions of any other party pursuant to this Remarketing Agreement. No implied covenants or obligations of or against any Remarketing Agent shall be read into this Remarketing Agreement or the Indenture. In the absence of bad faith on the part of any Remarketing Agent, such party may conclusively rely upon any document furnished to it, which purports to conform to the requirements of this Remarketing Agreement or the Indenture, as to the truth of the statements expressed in any of such documents. Each Remarketing Agent shall be protected in acting upon any document or communication reasonably believed by it to have been signed, presented or made by the proper party or parties. Each Remarketing Agent shall incur no liability to the Company or to any Beneficial Owner or Holder of Notes in its individual capacity or as Remarketing Agent for any action or failure to act in connection with a remarketing or otherwise, except as a result of gross negligence or willful misconduct on its part.

Section 13. GOVERNING LAW. THIS REMARKETING AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN SUCH STATE.

Section 14. TERM OF AGREEMENT. Unless otherwise terminated in accordance with the provisions hereof, this Remarketing Agreement shall remain in full force and effect from the date hereof until the first day thereafter on which no Notes are outstanding or may be issued. Regardless of any termination of this Remarketing Agreement pursuant to any of the provisions hereof, the obligations of the Company pursuant to Sections 5, 9 and 10 shall remain operative and in full force and effect until fully satisfied.

Section 15. SUCCESSORS AND ASSIGNS. The rights and obligations of the Company hereunder may not be assigned or delegated to any other person without the prior written consent of each of the Remarketing Agents. The rights and obligations of the Remarketing Agents hereunder

may not be assigned or delegated to any other person without the prior written consent of the Company. This Remarketing Agreement shall inure to the benefit of and be binding upon the Company and each Remarketing Agent and their respective successors and assigns, and will not confer any benefit upon any other person, partnership, association or corporation other than persons, if any, controlling any Remarketing Agent within the meaning of Section 20 of the 1934 Act, or any person entitled to indemnification to the extent provided in Section 9 hereof, or any person entitled to contribution to the extent provided in Section 10 hereof. The terms "successors" and "assigns" shall not include any purchaser of any Notes merely because of such purchase.

Section 16. HEADINGS. Section headings have been inserted in this Remarketing Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Remarketing Agreement and will not be used in the interpretation of any provisions of this Remarketing Agreement.

Section 17. SEVERABILITY. If any provision of this Remarketing Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any or all jurisdictions because it conflicts with any provision of any constitution, statute, rule or public policy or for any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case, circumstance or jurisdiction, or of rendering any other provision or provisions of this Remarketing Agreement invalid, inoperative or unenforceable to any extent whatsoever.

Section 18. COUNTERPARTS. This Remarketing Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

Section 19. REMARKETING AGENTS NOT ACTING AS UNDERWRITERS. It is understood and agreed by the parties hereto that the Remarketing Agents' only obligations hereunder are as set forth in this Remarketing Agreement. When engaged in remarketing any tendered Notes, each Remarketing Agent shall act only as agent for and on behalf of each Beneficial Owner of such Notes so tendered. No Remarketing Agent shall act as an underwriter for the tendered Notes or in any way be obligated to advance its own funds to purchase any tendered Notes (except if in its individual capacity as purchaser of those Notes it elects, in accordance with Section 7 hereof, to purchase, in its sole discretion) or to otherwise expend or risk its own funds or to incur or become exposed to financial liability in the performance of its duties hereunder.

Section 20. AMENDMENTS. This Remarketing Agreement may be amended by any instrument in writing signed by all of the parties hereto so long as this Remarketing Agreement as amended is not inconsistent with the Indenture in effect as of the date of any such amendment; provided, however, that the signature of any existing Remarketing Agent shall not be required to amend this Agreement for the sole purpose of adding another Remarketing Agent as a party hereto pursuant to Section 6(c) hereof.

Section 21. NOTICES. Unless otherwise specified, any notices, requests, consents or other communications given or made hereunder or pursuant hereto shall be made in writing and shall be deemed to have been validly given or made when delivered or mailed, registered or certified mail, return receipt requested and postage prepaid, addressed as follows:

(a) to the Company:

Newell Co.
Newell Center
29 East Stephenson Street
Freeport, Illinois 61032
Attention: Clarence R. Davenport
Telecopier: (815) 233-8060

(b) to each Remarketing Agent:

If to Merrill Lynch:

Merrill Lynch & Co.
Merrill Lynch, Pierce, Fenner & Smith Incorporated
World Financial Center
North Tower, 10th Floor
New York, New York 10281-1310
Attention: MTN Product Management
Telecopier: (212) 449-2234

If to Chase Securities:

Chase Securities Inc.
270 Park Avenue, 8th Floor
New York, New York 10017
Attention: Medium-Term Note Desk
Telecopier: (212) 834-6081

If to First Chicago:

First Chicago Capital Markets, Inc.
1 First National Plaza
Suite 0463
Chicago, Illinois 60670
Attention: Richard Morton
Telecopier: (312) 732-1033

If to Morgan Stanley & Co. Incorporated:

Morgan Stanley & Co. Incorporated
1585 Broadway, 2d Floor
New York, New York 10036
Attention: Manager - Continuously Offered Products
Telecopier: (212) 761-0780

with a copy to:

Morgan Stanley & Co. Incorporated
1585 Broadway, 2nd Floor
New York, New York 10036
Attention: Carlos Cabrera
Medium-Term Note Trading Desk
Telecopier: (212) 761-8846

or to such other address as the Company or the Remarketing Agents shall specify in writing.

IN WITNESS WHEREOF, the Company and each Remarketing Agent have each caused this Remarketing Agreement to be executed in its name and on its behalf by one of its duly authorized officers as of the date first above written.

NEWELL CO.

By:

Name: C.R. Davenport
Title: Vice President - Treasurer

MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

By:

Authorized Signatory

CHASE SECURITIES INC.

By:

Authorized Signatory

FIRST CHICAGO CAPITAL MARKETS, INC.

By:

Authorized Signatory

MORGAN STANLEY & CO. INCORPORATED

By:

Authorized Signatory

Newell Co.
Statement of Computation of
Earnings to Fixed Charges
(in Thousands, Except Ratio Data)

	3 Months Ended 3/31/97 -----	1996 ----	1995 ----	1994 ----	1993 ----	1992 ----
Earnings Available for Fixed Charges:						
Income before income taxes	\$62,521	\$424,634	\$370,785	\$329,292	\$275,556	\$277,564
Fixed charges						
Interest expense	12,785	56,989	49,812	29,970	19,062	20,417
Portion of rent determined to be interest (1)	3,713	14,855	12,634	10,494	8,580	6,237
Equity Earnings	(264)	(6,400)	(6,000)	(5,700)	(3,800)	(3,400)
Total Earnings Available for Fixed Charges	\$78,755	\$490,078	\$427,231	\$364,056	\$299,398	\$300,818
Fixed Charges						
Interest expense	\$12,785	\$56,989	\$49,812	\$29,970	\$19,062	\$20,417
Portion of rent determined to be interest (1)	3,713	14,855	12,634	10,494	8,580	6,237
Total Fixed Charges	\$16,498	\$71,844	\$62,446	\$40,464	\$27,642	\$26,654
Ratio Earnings to Fixed Charges	4.77	6.82	6.84	9.00	10.83	11.29

(1) 33% of gross rent expense was deemed to approximate the interest portion of short-term and long-term leases.

THIS NOTE IS A REGISTERED SECURITY IN GLOBAL FORM WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE THEREOF. UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN CERTIFICATED FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TRUST COMPANY (THE "DEPOSITARY") TO A NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY SECURITY ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY), 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.

No: R-____

NEWELL CO.
MEDIUM-TERM NOTE, SERIES A
(Remarketed Note)

THIS NOTE SHALL NOT BE VALID FOR ANY PURPOSE UNLESS PRESENTED TOGETHER WITH ANNEX A HERETO (INCLUDING ANY CONTINUATION THEREOF). REFERENCE IS MADE TO ANNEX A FOR CERTAIN TERMS OF THIS NOTE.

NEWELL CO., a corporation duly organized and existing under the laws of the State of Delaware (the "Company"), for value received hereby promises to pay to CEDE & CO., or registered assigns, the principal sum specified in Annex A on the Stated Maturity specified in Annex A, in respect of each obligation evidenced hereby as specified in Annex A, and to pay interest on the unpaid principal balance of each such obligation from the Original Issue Date specified in Annex A to the first Interest Rate Adjustment Date (the "First Interest Rate Adjustment Date") specified in Annex A (the "Initial Interest Rate Period") at the Initial Interest Rate specified therein payable on the related Interest Payment Date or Dates specified in Annex A, to the Person in whose name this Note is registered at the close of business on the related Record Date. Unless otherwise specified in Annex A, such Record Date during the Initial Interest Period is the first Business Day (as hereinafter defined) prior to the applicable Interest Payment Date. Following the Initial Interest Rate Period, the interest for this Note will be established by a remarketing agent (the "Remarketing Agent") selected by the Company. From and after the First Interest Rate Adjustment Date, this Note will bear interest in the Short Term Rate Mode or Long Term Rate Mode in each case as provided in this Note and set forth in Annex A (which Annex A shall be maintained by The Chase Manhattan Bank, or its successor in trust (the "Trustee")),

and interest will be payable on the Interest Payment Dates to the Person in whose name this Note is registered at the close of business on the related Record Date as provided below or as reflected in Annex A. In each case, payments shall be made in accordance with the provisions hereof and Annex A, including any additional terms specified therein, until the principal hereof is paid or duly made available for payment. References herein to "this Note," "hereof," "herein" and comparable terms shall include Annex A and shall include, where the context requires, any obligation evidenced hereby constituting a portion of the principal amount of this Note.

So long as this Note bears interest in a Short Term Rate Period, interest will be payable in arrears on the Business Day next following such Short Term Rate Period and reflected in Annex A. So long as this Note bears interest in a Long Term Rate Period, except as otherwise provided herein, interest will be payable in arrears no less frequently than semiannually on such dates as will be established by the Remarketing Agent and reflected in Annex A, prior to the commencement of each Long Term Rate Period in the case of a fixed interest rate, and as provided below under "Interest Rate - (c) Floating Interest Rates" in the case of a floating interest rate, and on the Business Day next following such Long Term Rate Period. Such interest will be payable to the Holder hereof as of the related Record Date, which, so long as this Note bears interest (i) in the Short Term Rate Mode, is the Business Day next preceding each Interest Payment Date and (ii) in the Long Term Rate Mode, is the 15th day (whether or not a Business Day) prior to the related Interest Payment Date, unless, in either case, otherwise specified in Annex A. Interest on this Note while bearing interest during a Short Term Rate Period or in a floating rate during a Long Term Rate Period will be computed on the basis of actual days elapsed over 360 (or over the actual number of days in the year if an applicable Interest Rate Basis is the CMT Rate or Treasury Rate (each as defined below)). Unless otherwise specified in Annex A, interest on this Note while bearing interest at a fixed rate during a Long Term Rate Period will be computed on the basis of a year of 360 days consisting of twelve 30-day months. Interest on this Note during the Initial Interest Rate Period will be computed on the basis specified in Annex A.

Unless otherwise specified in Annex A, payment of the principal of, and interest on, this Note will be made at the office or agency maintained for that purpose in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; PROVIDED, HOWEVER, that payment of interest may be made at the option of the Company by check mailed to the Person in whose name this Note is registered at the close of business on the related Record Date; PROVIDED FURTHER, that, notwithstanding anything else contained herein, if this Note is a Registered Security in global form and is held in book-entry form through the facilities of the Depositary, payments on this Note will be made to the Depositary or its nominee in accordance with the arrangements then in effect among the Trustee, the Remarketing Agent and the Depositary and transfers of ownership interests will be effected on the records of the Depositary and its participating organizations ("DTC Participants") pursuant to rules and procedures established by the Depositary.

This Note is one of a duly authorized series of securities (the "Securities") of the Company designated as Medium-Term Notes, Series A, due Nine Months or More from Date of Issue (herein called the "Notes") issued and to be issued under an Indenture, dated as of November 1, 1995 (the "Indenture"), between the Company and the Trustee, to which Indenture reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the registered owners of the Notes and of the terms upon which the Notes are, and are to be, authenticated and delivered. All terms used in this Note which are not defined herein and which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

This Note is issuable only in registered form without coupons in minimum denominations of U.S. \$100,000 and integral multiples of \$1,000 in excess thereof.

This Note is unsecured as to payment of principal, interest and premium, if any, and ranks PARI PASSU with all other unsecured unsubordinated indebtedness of the Company.

DEFINITIONS

The following terms, as used herein, have the following meanings unless the context or use clearly indicates another or different meaning or intent:

"Business Day" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorized or required by law, regulation or executive order to close in The City of New York; PROVIDED, HOWEVER, that with respect to Notes in the Long Term Rate Mode as to which LIBOR is an applicable Interest Rate Basis, such day is also a London Business Day (as hereinafter defined). "London Business Day" means (i) if the Index Currency (as hereinafter defined) is other than European Currency Units ("ECU"), any day on which dealings in such Index Currency are transacted in the London interbank market or (ii) if the Index Currency is ECU, any day that does not appear as an ECU non-settlement day on the display designated as "ISDE" on the Reuter Monitor Money Rates Service (or a day so designated by the ECU Banking Association) or, if ECU non-settlement days do not appear on the page (and are not so designated), is not a day on which payments in ECU cannot be settled in the international interbank market.

"Floating Interest Rate Notice" has the meaning specified under "Interest Rate (c) Floating Interest Rates" below.

"Index Currency" means the currency or composite currency specified in Annex A as to which LIBOR (as hereinafter defined) shall be calculated. If no such currency or composite currency is specified in Annex A, the Index Currency shall be United States dollars.

"Index Maturity" means the period to maturity of the instrument or obligation with respect to which the related Interest Rate Basis or Bases will be calculated.

"Interest Determination Date" has the meaning specified under "Interest Rate (c) Floating Interest Rates" below.

"Interest Rate Adjustment Date" means for a particular Interest Rate Mode, each date, which shall be a Business Day, on which interest and, in the case of a floating interest rate, the Spread (if any) and the Spread Multiplier (if any), on this Note are determined and announced by the Remarketing Agent and the date on which this Note commences to bear interest at such rate.

"Interest Rate Basis" has the meaning specified under "Interest Rate (c) Floating Interest Rates" below.

"Interest Rate Mode" means the Short Term Rate Mode or the Long Term Rate Mode.

"Interest Rate Period" means the period of time commencing on the Interest Rate Adjustment Date to, but not including, the immediately succeeding Interest Rate Adjustment Date during which this Note bears interest at a particular fixed interest rate or floating interest rate.

"Interest Reset Date," "Initial Interest Reset Date" and "Interest Reset Period" have the respective meanings specified under "Interest Rate (c) Floating Interest Rates" below.

"Long Term Rate Mode" means the Interest Rate Mode in which the Interest Rate Period is a Long Term Rate Period.

"Long Term Rate Period" means an Interest Rate Period of more than 365 consecutive calendar days and less than the remaining term of this Note established by the Company as provided herein. A Long Term Rate Period shall commence on the Interest Rate Adjustment Date therefor and end on the day preceding the date specified by such Remarketing Agent as the first day of the next Interest Rate Period for this Note, which day must be a Business Day and will be the Interest Adjustment Date for such next Interest Rate Period. The last day of each Long Term Rate Period must end on the day prior to the last Interest Payment Date for such period.

"Maximum Interest Rate" and "Minimum Interest Rate" have the respective meanings specified under "Interest Rate (c) Floating Interest Rates" below.

"Maximum Rate" means that rate of interest equal to fifteen percent (15%) per annum or such higher rate as may be established from time to time by the Board of Directors of the Company.

"Optional Redemption" means the redemption of this Note prior to its maturity at the option of the Company as provided herein.

"Optional Repayment" means the repayment of this Note prior to its maturity at the option of the Holder hereof as provided herein.

"Principal Financial Center" means the capital city of the country issuing the Index Currency, except that with respect to United States dollars, Australian dollars, Deutsche marks, Dutch guilders, Italian lire, Swiss francs and ECUs, the Principal Financial Center shall be The City of New York, Sydney, Frankfurt, Amsterdam, Milan, Zurich and Luxembourg, respectively.

"Remarketing Agent" means such remarketing agent or agents appointed by the Company, from time to time, for this Note.

"Short Term Rate Mode" means the Interest Rate Mode in which the Interest Rate Period is a Short Term Rate Period.

"Short Term Rate Period" means, with respect to this Note, an Interest Rate Period of not less than one nor more than 365 consecutive calendar days established by the Company as provided herein. A Short Term Rate Period shall commence on the Interest Rate Adjustment Date therefor and end on the day preceding the date specified by such Remarketing Agent as the first day of the next Interest Rate Period for this Note, which day must be a Business Day and will be the Interest Adjustment Date for such next Interest Rate Period.

"Special Mandatory Purchase" has the meaning specified under "Redemption, Acceleration and Repayment" below.

"Spread" means, with respect to any Long Term Rate Period of this Note, the number of basis points to be added to or subtracted from the related Interest Rate Basis or Bases applicable to a Long Term Rate Period for this Note.

"Spread Multiplier" means the percentage of the related Interest Rate Basis or Bases applicable to a Long Term Rate Period by which such Interest Rate Basis or Bases will be multiplied to determine the applicable interest rate from time to time for such Long Term Rate Period.

"Weekly Rate Period" means a period of seven days commencing on any Interest Rate Adjustment Date and ending on the day preceding the first day of the next Interest Rate Period and is a Short Term Rate Period.

INTEREST RATE

(a) INITIAL INTEREST RATE. From the Original Issue Date set forth in Annex A to, but not including, the First Interest Rate Adjustment Date set forth in Annex A, this Note will earn interest at the Initial Interest Rate specified therein. The Initial Interest Rate may be a fixed interest rate or a floating interest rate. In the event that this Note shall bear a floating interest rate, such rate will be determined in the manner provided below for this Note to bear interest at a floating rate in a Long Term Rate Period. Thereafter, this Note will bear interest at the Company's option in either the Short Term Rate Mode or the Long Term Rate Mode.

(b) INTEREST RATES. The interest rate for any Short Term Rate Period for this Note will be a fixed rate determined not later than 12:00 P.M., New York City time, on the Interest Rate Adjustment Date for such Short Term Rate Period. The interest rate for any Long Term Rate Period for this Note will be a fixed rate or a floating rate determined not later than 4:00 P.M., New York City time, on the third Business Day preceding the Interest Rate Adjustment Date for such Long Term Rate Period.

The interest rate for this Note and, in the case of a floating interest rate, the Spread (if any) and the Spread Multiplier (if any) for this Note following the initial Interest Rate Period will be adjusted by the Remarketing Agent on each succeeding Interest Rate Adjustment Date for the next succeeding Interest Rate Period and will be the minimum interest rate and, in the case of a floating interest rate, Spread (if any) and Spread Multiplier (if any) necessary in the judgment of the Remarketing Agent to produce a par bid in the remarketing of this Note for such Interest Rate Period.

(c) FLOATING INTEREST RATES. While this Note bears interest in the Long Term Rate Mode, the Company may elect a floating interest rate by providing notice, which will be in or promptly confirmed in writing (which includes facsimile or appropriate electronic media), received by the Trustee and the Remarketing Agent for this Note (the "Floating Interest Rate Notice") not less than eleven (11) Business Days prior to the Interest Rate Adjustment Date for such Long Term Rate Period. The Floating Interest Rate Notice must identify by CUSIP number or otherwise the portion of this Note to which it relates and state the Long Term Rate Period therefor to which it relates. Each Floating Interest Rate Notice must also state whether the floating interest rate is a "Regular Floating Rate," a "Floating Rate/Fixed Rate" or an "Inverse Floating Rate," the Fixed Rate Commencement Date, if applicable, the Interest Rate Basis or Bases, the Initial Interest Reset Date, the Interest Reset Period and Dates, the Interest Payment Period and Dates, the Index Maturity and the Maximum Interest Rate and/or Minimum Interest Rate, if any. If one or more of the applicable Interest Rate Bases are LIBOR or the CMT Rate, the Floating Interest Rate Notice shall also specify the Index Currency and Designated LIBOR Page or the Designated CMT Maturity Index and Designated CMT Telerate Page, respectively.

If this Note bears interest at a floating rate in a Long Term Rate Period, the interest borne by this Note will be determined as follows:

(i) Unless this Note is specified in Annex A as a "Floating Rate/Fixed Rate Note" or an "Inverse Floating Rate Note," this Note shall be designated as a "Regular Floating Rate Note" and, except as set forth below or in Annex A, shall bear interest at the rate determined by reference to the applicable Interest Rate Basis or Bases (a) plus or minus the Spread, if any, and/or (b) multiplied by the Spread Multiplier, if any, in each case as specified in Annex A. Commencing on the Interest Rate Adjustment Date for such Long Term Rate Period, the rate at which interest on this Note shall be payable shall be reset as of each Interest Reset Date during such Long Term Rate Period specified in Annex A.

(ii) If this Note is specified in Annex A as a "Floating Rate/Fixed Rate Note," then, except as set forth below or in Annex A, this Note shall bear interest at the rate determined by reference to the applicable Interest Rate Basis or Bases (a) plus or minus the Spread, if any, and/or (b) multiplied by the Spread Multiplier, if any, in each case as specified in Annex A. Commencing on the Interest Rate Adjustment Date for such Long Term Rate Period, the rate at which interest on this Note shall be payable shall be reset as of each Interest Reset Date during such Long Term Rate Period; PROVIDED, HOWEVER, that the interest rate in effect for the period commencing on the Fixed Rate Commencement Date specified in Annex A to the last day of such Long Term Rate Period shall be the Fixed Interest Rate specified in Annex A or, if no such Fixed Interest Rate is specified, the interest rate in effect hereon on the day immediately preceding the Fixed Rate Commencement Date.

(iii) If this Note is specified in Annex A as an "Inverse Floating Rate Note," then, except as set forth below or in Annex A, this Note shall bear interest at the Fixed Interest Rate minus the rate determined by reference to the applicable Interest Rate Basis or Bases (a) plus or minus the Spread, if any, and/or (b) multiplied by the Spread Multiplier, if any; PROVIDED, HOWEVER, that, unless otherwise specified in Annex A, the interest rate hereon shall not be less than zero. Commencing on the Interest Rate Adjustment Date for such Long Term Rate Period, the rate at which interest on this Note shall be payable shall be reset as of each Interest Reset Date during such Long Term Rate Period.

The applicable floating interest rate on this Note during any Long Term Rate Period will be determined by reference to the applicable Interest Rate Basis or Interest Rate Bases, which may include (i) the CD Rate, (ii) the CMT Rate, (iii) the Commercial Paper Rate, (iv) the Eleventh District Cost of Funds Rate, (v) the Federal Funds Rate, (vi) LIBOR, (vii) the Prime Rate, (viii) the Treasury Rate, or (ix) such other Interest Rate Basis or interest rate formula as may be specified in Annex A; PROVIDED, HOWEVER, in the case of a Floating Rate/Fixed Rate, the interest rate in effect for the period commencing on the Fixed Rate Commencement Date to the last day of such Long Term Rate Period will be the Fixed Interest Rate, if such rate is specified in Annex A or, if no such Fixed Interest Rate is specified, the interest rate in effect thereon on the day immediately preceding the Fixed Rate Commencement Date.

Unless otherwise specified in Annex A, the interest rate with respect to each Interest Rate Basis will be determined in accordance with the applicable provisions below. Except as set forth above or in Annex A, the interest rate in effect on each day shall be (i) if such day is an Interest Reset Date, the interest rate determined as of the Interest Determination Date (as hereinafter defined) immediately preceding such Interest Reset Date or (ii) if such day is not an Interest Reset Date, the interest rate determined as of the Interest Determination Date immediately preceding the most recent Interest Reset Date. If any Interest Reset Date would otherwise be a day that is not a Business Day, such Interest Reset Date will be postponed to the next succeeding Business Day, unless LIBOR is an applicable Interest Rate Basis and such Business Day falls in the next

succeeding calendar month, in which case such Interest Reset Date will be the immediately preceding Business Day. In addition, if the Treasury Rate is an applicable Interest Rate Basis and the Interest Determination Date would otherwise fall on an Interest Reset Date, then such Interest Reset Date will be postponed to the next succeeding Business Day.

Annex A will specify whether the rate of interest will be reset daily, weekly, monthly, quarterly, semiannually or annually or on such other specified basis (each, an "Interest Reset Period") and the dates on which such rate of interest will be reset (each, an "Interest Reset Date"). Unless otherwise specified in Annex A, the Interest Reset Dates will be, in the case of a floating interest rate which resets: (i) daily, each Business Day; (ii) weekly, the Wednesday of each week (unless the Treasury Rate is an applicable Interest Rate Basis, in which case the Tuesday of each week except as described below); (iii) monthly, the third Wednesday of each month (unless the Eleventh District Cost of Funds Rate is an applicable Interest Rate Basis, in which case the first calendar day of the month); (iv) quarterly, the third Wednesday of March, June, September and December of each year, (v) semiannually, the third Wednesday of the two months specified in Annex A; and (vi) annually, the third Wednesday of the month specified in Annex A; PROVIDED, HOWEVER, that, with respect to a Floating Rate/Fixed Rate, the rate of interest thereon will not reset after the applicable Fixed Rate Commencement Date.

The "Interest Determination Date" with respect to the CD Rate, the CMT Rate, the Commercial Paper Rate, the Federal Funds Rate and the Prime Rate will be the second Business Day immediately preceding the applicable Interest Reset Date; the "Interest Determination Date" with respect to the Eleventh District Cost of Funds Rate shall be the last working day of the month immediately preceding the applicable Interest Reset Date on which the Federal Home Loan Bank of San Francisco (the "FHLB of San Francisco") publishes the Index (as defined below); and the "Interest Determination Date" with respect to LIBOR shall be the second London Business Day immediately preceding the applicable Interest Reset Date, unless the Index Currency is British pounds sterling, in which case the "Interest Determination Date" will be the applicable Interest Reset Date. The "Interest Determination Date" with respect to the Treasury Rate shall be the day in the week in which the applicable Interest Reset Date falls on which day Treasury Bills (as defined below) are normally auctioned (Treasury Bills are normally sold at an auction held on Monday of each week, unless that day is a legal holiday, in which case the auction is normally held on the following Tuesday, except that such auction may be held on the preceding Friday); PROVIDED, HOWEVER, that if an auction is held on the Friday of the week preceding the applicable Interest Reset Date, the "Interest Determination Date" shall be such preceding Friday. If the interest rate of this Note is a floating interest rate determined with reference to two or more Interest Rate Bases specified in Annex A, the "Interest Determination Date" pertaining to this Note shall be the most recent Business Day which is at least two Business Days prior to the applicable Interest Reset Date on which each Interest Rate Basis is determinable. Each Interest Rate Basis shall be determined as of such date, and the applicable interest rate shall take effect on the related Interest Reset Date.

Either or both of the following may also apply to the floating interest rate on this Note for a Long Term Rate Period: (i) a Maximum Interest Rate, or ceiling, that may accrue during any Interest Reset Period and (ii) a Minimum Interest Rate, or floor, that may accrue during any Interest Reset Period. In addition to any Maximum Interest Rate that may apply, the interest rate on this Note will in no event be higher than the maximum rate permitted by New York law, as the same may be modified by United States laws of general application.

Except as provided below or in Annex A, interest will be payable, in the case of floating interest rates which reset: (i) daily, weekly or monthly, on the third Wednesday of each month or on the third Wednesday of March, June, September and December of each year, as specified in Annex A; (ii) quarterly, on the third Wednesday of March, June, September and December of each year; (iii) semiannually, on the third Wednesday of the two months of each year specified in Annex A; and (iv) annually, on the third Wednesday of the month of each year specified in Annex A and, in each case, on the Business Day immediately following the applicable Long Term Rate Period. If any Interest Payment Date for the payment of interest at a floating rate (other than following the end of the applicable Long Term Rate Period) would otherwise be a day that is not a Business Day, such Interest Payment Date will be postponed to the next succeeding Business Day, except that if LIBOR is an applicable Interest Rate Basis and such Business Day falls in the next succeeding calendar month, such Interest Payment Date will be the immediately preceding Business Day.

All percentages resulting from any calculation of floating interest rates will be rounded to the nearest one hundred-thousandth of a percentage point, with five one-millionths of a percentage point rounded upwards (E.G., 9.876545% (or .09876545) would be rounded to 9.87655% (or .0987655)), and all amounts used in or resulting from such calculation will be rounded, in the case of United States dollars, to the nearest cent or, in the case of a foreign currency or composite currency, to the nearest unit (with one-half cent or unit being rounded upwards).

Accrued floating rate interest will be calculated by multiplying the principal amount hereof by an accrued interest factor. Such accrued interest factor will be computed by adding the interest factor calculated for each day in the applicable Interest Reset Period. Unless otherwise specified in Annex A, the interest factor for each such day will be computed by dividing the interest rate applicable to such day by 360, if an applicable Interest Rate Basis is the CD Rate, the Commercial Paper Rate, the Eleventh District Cost of Funds Rate, the Federal Funds Rate, LIBOR or the Prime Rate, or by the actual number of days in the year if an applicable Interest Rate Basis is the CMT Rate or the Treasury Rate. Unless otherwise specified in Annex A, if the floating interest rate is calculated with reference to two or more Interest Rate Bases, the interest factor will be calculated in each period in the same manner as if only one of the applicable Interest Rate Bases applied as specified in Annex A.

Unless otherwise specified in Annex A, The Chase Manhattan Bank will be the "Calculation Agent." Upon request of any beneficial owner of this Note, the Calculation Agent shall disclose, in the case of a floating interest rate, the interest rate then in effect and, if

determined, the interest rate that will become effective as a result of a determination made for the next succeeding Interest Reset Date with respect to this Note.

Unless otherwise specified in Annex A, the "Calculation Date," if applicable, pertaining to any Interest Determination Date will be the earlier of (i) the tenth calendar day after such Interest Determination Date or, if such day is not a Business Day, the next succeeding Business Day or (ii) the Business Day immediately preceding the applicable Interest Payment Date or the Maturity Date, as the case may be.

CD RATE. If an Interest Rate Basis for this Note is specified in Annex A as the CD Rate, the CD Rate shall be determined as of the applicable Interest Determination Date (a "CD Rate Interest Determination Date") as the rate on such date for negotiable United States dollar certificates of deposit having the Index Maturity specified in Annex A as published by the Board of Governors of the Federal Reserve System in "Statistical Release H.15(519), Selected Interest Rates" or any successor publication ("H.15(519)") under the heading "CDs (Secondary Market)," or, if not published by 3:00 P.M., New York City time, on the related Calculation Date (as defined above), the rate on such CD Rate Interest Determination Date for negotiable United States dollar certificates of deposit of the Index Maturity specified in Annex A as published by the Federal Reserve Bank of New York in its daily statistical release "Composite 3:30 P.M. Quotations for United States Government Securities" or any successor publication ("Composite Quotations") under the heading "Certificates of Deposit." If such rate is not yet published in either H.15(519) or Composite Quotations by 3:00 P.M., New York City time, on the related Calculation Date, then the CD Rate on such CD Rate Interest Determination Date will be calculated by the Calculation Agent specified in Annex A and will be the arithmetic mean of the secondary market offered rates as of 10:00 A.M., New York City time, on such CD Rate Interest Determination Date, of three leading nonbank dealers in negotiable United States dollar certificates of deposit in The City of New York (which may include the Remarketing Agent or its affiliates) selected by the Calculation Agent, after consultation with the Company, for negotiable United States dollars certificates of deposit of major United States money market banks for negotiable certificates of deposit with a remaining maturity closest to the Index Maturity specified in Annex A in an amount that is representative for a single transaction in that market at that time; PROVIDED, HOWEVER, that if the dealers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the CD Rate determined as of such CD Rate Interest Determination Date will be the CD Rate in effect on such CD Rate Interest Determination Date.

CMT RATE. If an Interest Rate Basis for this Note is specified in Annex A as the CMT Rate, the CMT Rate shall be determined as of the applicable Interest Determination Date (a "CMT Rate Interest Determination Date") as the rate displayed on the Designated CMT Telerate Page (as defined below) under the caption "...Treasury Constant Maturities...Federal Reserve Board Release H.15...Mondays Approximately 3:45 P.M.," under the column for the Designated CMT Maturity Index (as defined below) for (i) if the Designated CMT Telerate Page is 7055, the rate on such CMT Rate Interest Determination Date and (ii) if the Designated CMT Telerate Page is 7052, the weekly or monthly average, as specified in Annex A for the week or the month, as

applicable, ended immediately preceding the week in which the related CMT Rate Interest Determination Date occurs. If such rate is no longer displayed on the relevant page or is not displayed by 3:00 P.M., New York City time, on the related Calculation Date, then the CMT Rate for such CMT Rate Interest Determination Date will be such treasury constant maturity rate for the Designated CMT Maturity Index as published in H.15(519). If such rate is no longer published or is not published by 3:00 P.M., New York City time, on the related Calculation Date, then the CMT Rate on such CMT Rate Interest Determination Date will be such treasury constant maturity rate for the Designated CMT Maturity Index (or other United States Treasury rate for the Designated CMT Maturity Index) for the CMT Rate Interest Determination Date with respect to such Interest Reset Date as may then be published by either the Board of Governors of the Federal Reserve System or the United States Department of the Treasury that the Calculation Agent determines to be comparable to the rate formerly displayed on the Designated CMT Telerate Page and published in H.15(519). If such information is not provided by 3:00 P.M., New York City time, on the related Calculation Date, then the CMT Rate on the CMT Rate Interest Determination Date will be calculated by the Calculation Agent and will be a yield to maturity, based on the arithmetic mean of the secondary market closing offer side prices as of approximately 3:30 P.M., New York City time, on such CMT Rate Interest Determination Date reported, according to their written records, by three leading primary United States government securities dealers (each, a "Reference Dealer") in The City of New York (which may include the Remarketing Agent or its affiliates) selected by the Calculation Agent after consultation with the Company (from five such Reference Dealers selected by the Calculation Agent, after consultation with the Company, and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)), for the most recently issued direct noncallable fixed rate obligations of the United States ("Treasury Notes") with an original maturity of approximately the Designated CMT Maturity Index and a remaining term to maturity of not less than such Designated CMT Maturity Index minus one year. If the Calculation Agent is unable to obtain three such Treasury Note quotations, the CMT Rate on such CMT Rate Interest Determination Date will be calculated by the Calculation Agent and will be a yield to maturity based on the arithmetic mean of the secondary market offer side prices as of approximately 3:30 P.M., New York City time, on such CMT Rate Interest Determination Date of three Reference Dealers in The City of New York (from five such Reference Dealers selected by the Calculation Agent, after consultation with the Company, and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)), for Treasury Notes with an original maturity of the number of years that is the next highest to the Designated CMT Maturity Index and a remaining term to maturity closest to the Designated CMT Maturity Index and in an amount of at least U.S.\$100 million. If three or four (and not five) of such Reference Dealers are quoting as described above, then the CMT Rate will be based on the arithmetic mean of the offer prices obtained and neither the highest nor the lowest of such quotes will be eliminated; PROVIDED, HOWEVER, that if fewer than three Reference Dealers so selected by the Calculation Agent, after consultation with the Company, are quoting as mentioned herein, the CMT Rate determined as of such CMT Rate Interest Determination Date will be the CMT Rate in effect on such CMT Rate Interest Determination Date. If two Treasury Notes with an original maturity as described in the second

preceding sentence have remaining terms to maturity equally close to the Designated CMT Maturity Index, the Calculation Agent, after consultation with the Company, will obtain from five References Dealers quotations for the Treasury Note with the shorter remaining term to maturity.

"Designated CMT Telerate Page" means the display on the Dow Jones Telerate Service on the page specified in Annex A (or any other page as may replace such page on that service for the purpose of displaying Treasury Constant Maturities as reported in H.15(519)) for the purpose of displaying Treasury Constant Maturities as reported in H.15(519). If no such page is specified in Annex A, the Designated CMT Telerate Page shall be 7052 for the most recent week.

"Designated CMT Maturity Index" means the original period to maturity of the United States Treasury securities (either 1, 2, 3, 5, 7, 10, 20 or 30 years) specified in Annex A with respect to which the CMT Rate will be calculated. If no such maturity is specified in Annex A, the Designated CMT Maturity Index shall be 2 years.

COMMERCIAL PAPER RATE. If an Interest Rate Basis for this Note is specified in Annex A as the Commercial Paper Rate, the Commercial Paper Rate shall be determined as of the applicable Interest Determination Date (a "Commercial Paper Rate Interest Determination Date") as the Money Market Yield (as defined below) on such date of the rate for commercial paper having the Index Maturity specified in Annex A as published in H.15(519) under the heading "Commercial Paper" or, if no longer available, such other heading representing commercial paper issued by non-financial entities whose bond rating is "AA," or the equivalent, from a nationally recognized statistical rating organization. In the event that such rate is not published by 3:00 P.M., New York City time, on such Calculation Date, then the Commercial Paper Rate on such Commercial Paper Rate Interest Determination Date will be the Money Market Yield of the rate for commercial paper having the Index Maturity specified in Annex A as published in Composite Quotations under the heading "Commercial Paper" (with an Index Maturity of one month or three months being deemed to be equivalent to an Index Maturity of 30 days or 90 days, respectively). If such rate is not yet published in either H.15(519) or Composite Quotations by 3:00 P.M., New York City time, on such Calculation Date, then the Commercial Paper Rate on such Commercial Paper Rate Interest Determination Date will be calculated by the Calculation Agent and shall be the Money Market Yield of the arithmetic mean of the offered rates at approximately 11:00 A.M., New York City time, on such Commercial Paper Rate Interest Determination Date of three leading dealers of commercial paper in The City of New York (which may include the Remarketing Agent or its affiliates) selected by the Calculation Agent, after consultation with the Company, for commercial paper having the Index Maturity specified in Annex A placed for an industrial issuer whose bond rating is "AA," or the equivalent from a nationally recognized statistical rating organization; PROVIDED, HOWEVER, that if the dealers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Commercial Paper Rate determined as of such Commercial Paper Rate Interest Determination Date will be the Commercial Paper Rate in effect on such Commercial Paper Rate Interest Determination Date.

"Money Market Yield" means a yield (expressed as a percentage) calculated in accordance with the following formula:

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

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

ELEVENTH DISTRICT COST OF FUNDS RATE. If an Interest Rate Basis for this Note is specified in Annex A as the Eleventh District Cost of Funds Rate, the Eleventh District Cost of Funds Rate shall be determined as of the applicable Interest Determination Date (an "Eleventh District Cost of Funds Rate Interest Determination Date") as the rate equal to the monthly weighted average cost of funds for the calendar month immediately preceding the month in which such Eleventh District Cost of Funds Rate Interest Determination Date falls, as set forth under the caption "11th District" on Telerate Page 7058 as of 11:00 A.M., San Francisco time, on such Eleventh District Cost of Funds Rate Interest Determination Date. If such rate does not appear on Telerate Page 7058 on such Eleventh District Cost of Funds Rate Interest Determination Date, then the Eleventh District Cost of Funds Rate on such Eleventh District Cost of Funds Rate Interest Determination Date shall be the monthly weighted average cost of funds paid by member institutions of the Eleventh Federal Home Loan Bank District that was most recently announced (the "Index") by the FHLB of San Francisco as such cost of funds for the calendar month immediately preceding such Eleventh District Cost of Funds Rate Interest Determination Date. If the FHLB of San Francisco fails to announce the Index on or prior to such Eleventh District Cost of Funds Rate Interest Determination Date for the calendar month immediately preceding such Eleventh District Cost of Funds Rate Interest Determination Date, the Eleventh District Cost of Funds Rate determined as of such Eleventh District Cost of Funds Rate Interest Determination Date will be the Eleventh District Cost of Funds Rate in effect on such Eleventh District Cost of Funds Rate Interest Determination Date.

FEDERAL FUNDS RATE. If an Interest Rate Basis for this Note is specified in Annex A as the Federal Funds Rate, the Federal Funds Rate shall be determined as of the applicable Interest Determination Date (a "Federal Funds Rate Interest Determination Date") as the rate on such date for United States dollar federal funds as published in H.15(519) under the heading "Federal Funds (Effective)" or, if not published by 3:00 P.M., New York City time, on the Calculation Date, the rate on such Federal Funds Rate Interest Determination Date as published in Composite Quotations under the heading "Federal Funds/Effective Rate." If such rate is not published in either H.15(519) or Composite Quotations by 3:00 P.M., New York City time, on the related Calculation Date, then the Federal Funds Rate on such Federal Funds Rate Interest Determination Date shall be calculated by the Calculation Agent and will be the arithmetic mean of the rates for the last transaction in overnight United States dollar federal funds arranged by three leading brokers of federal funds transactions in The City of New York (which may include the

Remarketing Agent or its affiliates) selected by the Calculation Agent after consultation with the Company, prior to 9:00 A.M., New York City time, on such Federal Funds Rate Interest Determination Date; PROVIDED, HOWEVER, that if the brokers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Federal Funds Rate determined as of such Federal Funds Rate Interest Determination Date will be the Federal Funds Rate in effect on such Federal Funds Rate Interest Determination Date.

LIBOR. If an Interest Rate Basis for this Note is specified in Annex A as LIBOR, LIBOR shall be determined by the Calculation Agent as of the applicable Interest Determination Date (a "LIBOR Interest Determination Date") in accordance with the following provisions:

(i) if (a) "LIBOR Reuters" is specified in Annex A, the arithmetic mean of the offered rates (unless the Designated LIBOR Page (as defined below) by its terms provides only for a single rate, in which case such single rate will be used) for deposits in the Index Currency having the Index Maturity specified in Annex A, commencing on the applicable Interest Reset Date, that appear (or, if only a single rate is required as aforesaid, appears) on the Designated LIBOR Page (as defined below) as of 11:00 A.M., London time, on such LIBOR Interest Determination Date, or (b) "LIBOR Telerate" is specified in Annex A, or if neither "LIBOR Reuters" nor "LIBOR Telerate" is specified in Annex A as the method for calculating LIBOR, the rate for deposits in the Index Currency having the Index Maturity specified in Annex A, commencing on such Interest Reset Date, that appears on the Designated LIBOR Page as of 11:00 A.M., London time, on such LIBOR Interest Determination Date. If fewer than two such offered rates appear, or if no such rate appears, as applicable, LIBOR on such LIBOR Interest Determination Date shall be determined in accordance with the provisions described in clause (ii) below.

(ii) With respect to a LIBOR Interest Determination Date on which fewer than two offered rates appear, or no rate appears, as the case may be, on the Designated LIBOR Page as specified in clause (i) above, the Calculation Agent shall request the principal London offices of each of four major reference banks in the London interbank market, as selected by the Calculation Agent, after consultation with the Company, to provide the Calculation Agent with its offered quotation for deposits in the Index Currency for the period of the Index Maturity specified in Annex A, commencing on the applicable Interest Reset Date, to prime banks in the London interbank market at approximately 11:00 A.M., London time, on such LIBOR Interest Determination Date and in a principal amount that is representative for a single transaction in such Index Currency in such market at such time. If at least two such quotations are so provided, then LIBOR on such LIBOR Interest Determination Date will be the arithmetic mean of such quotations. If fewer than two such quotations are so provided, then LIBOR on such LIBOR Interest Determination Date will be the arithmetic mean of the rates quoted at approximately 11:00 A.M., in the applicable Principal Financial Center, on such LIBOR Interest Determination Date by three major banks in such Principal Financial Center selected by the Calculation Agent, after consultation with the Company, for loans in the Index Currency to leading European banks, having the Index Maturity specified in Annex A and in a principal amount that is representative for a single transaction in such Index Currency in such market at such time; PROVIDED, HOWEVER,

that if the banks so selected by the Calculation Agent are not quoting as mentioned in this sentence, LIBOR determined as of such LIBOR Interest Determination Date shall be LIBOR in effect on such LIBOR Interest Determination Date.

"Designated LIBOR Page" means (a) if "LIBOR Reuters" is specified in Annex A, the display on the Reuter Monitor Money Rates Service (or any successor service) for the purpose of displaying the London interbank rates of major banks for the Index Currency, or (b) if "LIBOR Telerate" is specified in Annex A or neither "LIBOR Reuters" nor "LIBOR Telerate" is specified in Annex A as the method for calculating LIBOR, the display on the Dow Jones Telerate Service (or any successor service) for the purpose of displaying the London interbank rates of major banks for the Index Currency.

PRIME RATE. If an Interest Rate Basis for this Note is specified in Annex A as the Prime Rate, the Prime Rate shall be determined as of the applicable Interest Determination Date (a "Prime Rate Interest Determination Date") as the rate on such date as such rate is published in H.15(519) under the heading "Bank Prime Loan." If such rate is not published prior to 3:00 P.M., New York City time, on the related Calculation Date, then the Prime Rate shall be the arithmetic mean of the rates of interest publicly announced by each bank that appears on the Reuters Screen U.S. PRIME 1 Page (as defined below) as such bank's prime rate or base lending rate as in effect for such Prime Rate Interest Determination Date. If fewer than four such rates appear on the Reuters Screen U.S. PRIME 1 Page for such Prime Rate Interest Determination Date, the Prime Rate shall be the arithmetic mean of the prime rates quoted on the basis of the actual number of days in the year divided by a 360-day year as of the close of business on such Prime Rate Interest Determination Date by four major money center banks (which may include The Chase Manhattan Bank) in The City of New York selected by the Calculation Agent, after consultation with the Company. If fewer than four such quotations are so provided, the Prime Rate shall be the arithmetic mean of four prime rates quoted on the basis of the actual number of days in the year divided by a 360-day year as of the close of business on such Prime Rate Interest Determination Date as furnished in The City of New York by the major money center banks, if any, that have provided such quotations and by as many substitute banks or trust companies (which may include The Chase Manhattan Bank) as necessary in order to obtain four such prime rate quotations, PROVIDED such substitute banks or trust companies are organized and doing business under the laws of the United States, or any State thereof, have total equity capital of at least U.S.\$500 million and are each subject to supervision or examination by Federal or State authority, selected by the Calculation Agent, after consultation with the Company, to provide such rate or rates; PROVIDED, HOWEVER, that if the banks or trust companies so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Prime Rate determined as of such Prime Rate Interest Determination Date will be the Prime Rate in effect on such Prime Rate Interest Determination Date.

"Reuters Screen U.S. PRIME 1 Page" means the display designated as page "U.S. PRIME 1" on the Reuter Monitor Money Rates Service (or such other page as may replace the U.S.

PRIME 1 page on that service for the purpose of displaying prime rates or base lending rates of major United States banks).

TREASURY RATE. If an Interest Rate Basis for this Note is specified in Annex A as the Treasury Rate, the Treasury Rate shall be determined as of the applicable Interest Determination Date (a "Treasury Rate Interest Determination Date") as the rate from the auction held on such Treasury Rate Interest Determination Date (the "Auction") of direct obligations of the United States ("Treasury Bills") having the Index Maturity specified in Annex A, as such rate is published in H.15(519) under the heading "Treasury bills-auction average (investment)" or, if not published by 3:00 P.M., New York City time, on the related Calculation Date, the auction average rate of such Treasury Bills (expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) as otherwise announced by the United States Department of Treasury. In the event that the results of the Auction of Treasury Bills having the Index Maturity specified in Annex A are not reported as provided above by 3:00 P.M., New York City time, on such Calculation Date, or if no such Auction is held, then the Treasury Rate shall be calculated by the Calculation Agent, and shall be a yield to maturity (expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 P.M., New York City time, on such Treasury Rate Interest Determination Date, of three leading primary United States government securities dealers (which may include the Remarketing Agent or its affiliates) selected by the Calculation Agent, after consultation with the Company, for the issue of Treasury Bills with a remaining maturity closest to the Index Maturity specified in Annex A; PROVIDED, HOWEVER, that if the dealers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Treasury Rate determined as of such Treasury Rate Interest Determination Date will be the Treasury Rate in effect on such Treasury Rate Interest Determination Date.

(d) **INTEREST RATE PERIODS.** The Interest Rate Period for this Note in the Short Term Rate Mode will be determined by the Company as described below under "Conversion" or, if not so determined, shall be the Weekly Rate Period. The Interest Rate Period for this Note in the Long Term Rate Mode will be established by the Company upon not less than eleven (11) Business Days prior notice to the Remarketing Agent for this Note and the Trustee.

(e) **FAILURE OF REMARKETING AGENT TO ANNOUNCE INTEREST RATES ON THE NOTES.** In the event that (i) the Remarketing Agent has been removed or has resigned and no successor has been appointed, or (ii) the Remarketing Agent has failed to announce the appropriate interest rate, Spread, if any, or Spread Multiplier, if any, as the case may be, on an Interest Rate Adjustment Date for whatever reason, or (iii) the appropriate interest rate, Spread, Spread Multiplier or Interest Rate Period cannot be determined for whatever reason, then (x) this Note shall be automatically converted to the Weekly Rate Period and the rate of interest hereon shall be equal to the rate per annum announced by The First National Bank of Chicago, or such other nationally recognized bank located in the United States as the Company may select and notify the Trustee

in writing, as its prime lending rate and (y) this Note shall be subject to Special Mandatory Purchase.

(f) MAXIMUM INTEREST RATE ON THE NOTES. The interest rate on the Notes shall not exceed the Maximum Rate.

(g) NOTICE OF INTEREST RATE, BINDING EFFECT. On each Interest Rate Adjustment Date of this Note, the Remarketing Agent will give the Company and the Trustee notice in writing (which includes facsimile or appropriate electronic media) of the interest rate to be borne by this Note for the following Interest Rate Period. Promptly thereafter, the Trustee will transmit such information to the Depository in accordance with the Depository's procedures as in effect from time to time and note such rate in Annex A. After such Interest Rate Adjustment Date, any beneficial owner of this Note may contact the Trustee or the Remarketing Agent in order to be advised of the following information relating to the terms established for such Remarketed Notes on such Interest Rate Adjustment Date: the applicable interest rate, and in the case of a floating interest rate, Interest Rate Basis or Bases, Spread (if any) and Spread Multiplier (if any), and in each case the other terms applicable to this Note. Except as set forth above in this clause (g) and in clause (c), no notice of the applicable interest rate or other terms will be given to the beneficial owner of this Note.

The interest rate and other terms of this Note announced by the Remarketing Agent, absent manifest error, are binding and conclusive upon the beneficial owner of this Note, the Company and the Trustee.

CONVERSION

CONVERSION BETWEEN SHORT TERM RATE PERIODS. This Note, if in a Short Term Rate Period, may be remarketed into the same Interest Rate Period or converted at the option of the Company to a different Short Term Rate Period on any Interest Rate Adjustment Date upon receipt by the Remarketing Agent and the Trustee of a notice, which will be in or promptly confirmed in writing (which includes facsimile or appropriate electronic media), from the Company (a "Conversion Notice"), prior to 9:30 A.M., New York City time, or the remarketing of this Note, whichever later occurs, on such Interest Rate Adjustment Date.

CONVERSION FROM THE SHORT TERM RATE MODE TO THE LONG TERM RATE MODE. This Note, if in the Short Term Rate Mode, may be converted at the option of the Company to the Long Term Rate Mode on any Interest Rate Adjustment Date upon receipt not less than eleven (11) Business Days prior to such Interest Rate Adjustment Date by the Remarketing Agent and the Trustee of a Conversion Notice from the Company.

CONVERSION BETWEEN LONG TERM RATE PERIODS OR FROM THE LONG TERM RATE MODE TO THE SHORT TERM RATE MODE. This Note, if in a Long Term Rate Period, may be remarketed in the same Interest Rate Period or converted at the option of the Company to a different Long Term

Rate Period or from the Long Term Rate Mode to the Short Term Rate Mode on any Interest Rate Adjustment Date for this Note upon receipt by the Remarketing Agent and the Trustee for this Note of a Conversion Notice from the Company not less than eleven (11) Business Days prior to such Interest Rate Adjustment Date.

CONVERSION NOTICE. Each Conversion Notice must identify the Note to which it relates and the new Interest Rate Mode (if applicable), the new Interest Rate Period (which, if not so stated, shall be the Weekly Rate Period, the date of the applicable conversion (the "Conversion Date") and, with respect to any Long Term Rate Period, any Optional Redemption or Optional Repayment terms for the Note. If the Company revokes a Conversion Notice or the Remarketing Agent and the Trustee fail to receive a Conversion Notice from the Company by the specified date in advance of the Interest Rate Adjustment Date for this Note, this Note shall be converted automatically to the Weekly Rate Period. See "Tender" below.

REVOCAION OR CHANGE OF CONVERSION NOTICE OR FLOATING INTEREST RATE NOTICE. The Company may, upon written notice (which includes facsimile or appropriate electronic media) received by the Remarketing Agent and the Trustee, revoke any Conversion Notice or Floating Interest Rate Notice or change any Interest Rate Mode or Interest Rate Period or any optional redemption terms specified in such Conversion Notice or change any Floating Interest Rate Notice not later than (i) 9:30 A.M., New York City time, on the Conversion Date with respect to any attempted conversion of this Note to a Short Term Rate Period, or (ii) 4:00 P.M., New York City time, on the third Business Day preceding the Conversion Date with respect to any attempted conversion of this Note to, or establishment of a floating interest rate for, a Long Term Rate Period.

TENDER

Unless otherwise specified in Annex A, if this Note is bearing interest at the Initial Interest Rate or in the Short Term Rate Mode or the Long Term Rate Mode, it will automatically be tendered for purchase, or deemed tendered for purchase by the beneficial owner hereof, on each Interest Rate Adjustment Date relating hereto and, if successfully remarketed, repurchased or redeemed on such date, the tendering Holder of this Note will not be entitled to further accrued interest with respect hereto after such date. This Note will be purchased on such Interest Rate Adjustment Date as described below.

REMARKETING AND SETTLEMENT

The Remarketing Agent for this Note will use its reasonable efforts to remarket this Note on behalf of the beneficial owner hereof at a price equal to 100% of the principal amount hereof. The Remarketing Agent may purchase this Note for its own account in a remarketing, but will not be obligated to do so. The Company may offer to purchase this Note in a remarketing, PROVIDED that the interest rate established with respect to this Note in such remarketing is not different from the interest rate that would have been established if the Company had not purchased this Note. This

Note shall not be included in a remarketing if the Company shall have given a notice of redemption or repayment to the Remarketing Agent and the Trustee.

In connection with the remarketing of this Note into a Short Term Rate Period on the next Interest Rate Adjustment Date for this Note, by 12:00 P.M., New York City time, on such Interest Rate Adjustment Date for this Note, the Remarketing Agent will determine the interest rate hereon to the nearest one thousandth (0.001) of one percent per annum for the next Interest Rate Period.

In connection with the remarketing of this Note into a Long Term Rate Period on the next Interest Rate Adjustment Date for this Note, by 4:00 P.M., New York City time, on the third Business Day preceding such Interest Rate Adjustment Date, the Remarketing Agent will determine the interest rate for this Note to the nearest one thousandth (0.001) of one percent per annum for the next Interest Rate Period, in the case of a fixed interest rate, and the Spread, if any, or the Spread Multiplier, if any, in the case of a floating interest rate; PROVIDED that, if for any reason the Remarketing Agent is unable to determine such interest rate by such time, the next Interest Rate Period for this Note shall be a Weekly Rate Period or such other Short Term Rate Period as the Company may determine by 9:30 A.M., New York City time, on such Interest Rate Adjustment Date.

In determining the applicable interest rate for this Note and other terms, the Remarketing Agent will, after taking into account market conditions as reflected in the prevailing yields on fixed and variable rate taxable debt securities, (i) consider the principal amount of all Notes tendered or to be tendered on such date and the principal amount of such Notes prospective purchasers are or may be willing to purchase and (ii) contact, by telephone or otherwise, prospective purchasers and ascertain the interest rates therefore at which they would be willing to hold or purchase such Notes.

By 12:30 P.M., New York City time, on each Interest Rate Adjustment Date, the Remarketing Agent will notify the Company and the Trustee in writing (which includes facsimile or appropriate electronic media) of (i) the interest rate or, in the case of a floating interest rate, the initial interest rate, the Spread and Spread Multiplier and the Initial Interest Reset Date, and in each case the Interest Rate Adjustment Date applicable to this Note for the next Interest Rate Period, (ii) the Interest Payment Dates (in the case of remarketing into the Long Term Rate Mode), (iii) the aggregate principal amount of all Notes tendered for remarketing on such date, (iv) the aggregate principal amount of such tendered Notes which the Remarketing Agent was able to remarket, at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest, if any, and (v) such other information as the Trustee may require for settlement purposes. Promptly thereafter, the Trustee will assign one or more CUSIP numbers to this Note and transmit to the Depository such information as the Depository may require in accordance with the Depository's procedures as in effect from time to time.

By telephone at approximately 1:00 P.M., New York City time, on such Interest Rate Adjustment Date, the Remarketing Agent will advise the purchaser of this Note (or the DTC Participant of each such purchaser who it is expected in turn will advise such purchaser) of the principal amount that such purchaser is to purchase.

The purchaser of this Note in a remarketing will be required to give instructions to its DTC Participant to pay the purchase price therefor in same day funds to the account of the Remarketing Agent by 3:00 P.M., New York City time, on the Interest Rate Adjustment Date pending delivery of the principal amount of this Note by book-entry through the Depository by the close of business on the Interest Rate Adjustment Date. The Remarketing Agent will make or use its reasonable efforts to cause to be made payment of such amount to the Trustee.

When tendered, or deemed tendered, this Note will be automatically delivered to the account of the Trustee, by book-entry through the Depository pending payment of the purchase price or redemption price for this Note, on the Interest Rate Adjustment Date relating hereto.

Subject to receipt of funds from the purchaser or the Company, as the case may be, the Trustee will make payment to the Depository, which will make payment to the DTC Participant of the tendering beneficial owner hereof subject to a remarketing, by book-entry through the Depository by the close of business on the related Interest Rate Adjustment Date against delivery through the Depository of the beneficial owner's tendered Note, of: (i) the purchase price for this Note, and (ii) if this Note was purchased pursuant to a Special Mandatory Purchase, the purchase price for this Note plus accrued interest, if any, to such date.

The transactions described above for a remarketing of this Note will be executed on each Interest Rate Adjustment Date for this Note through the Depository in accordance with the procedures of the Depository, and the accounts of the respective DTC Participants will be debited and credited and this Note will be delivered by book-entry as necessary to effect the purchases and sales hereof, in each case as determined in the related remarketing.

Except as set forth below, the purchase price for this Note to the tendering beneficial owner shall be paid solely out of the proceeds received from a purchaser of this Note in such remarketing, and neither the Remarketing Agent the Trustee nor the Company will be obligated to provide funds to make payment upon any beneficial owner's tender of this Note in a remarketing.

The settlement and remarketing procedures described above, including the notice provisions and provisions for payment by purchasers of this Note or for payment to the selling beneficial owners of this Note, may be modified to the extent required by the Depository. In addition, the Remarketing Agent may modify the settlement and remarketing procedures set forth above in order to facilitate the settlement and remarketing process.

As long as the Depository's nominee holds the certificates representing this Note in the book-entry system of the Depository, no certificates for this Note will be delivered by any selling beneficial owner to reflect any transfer of this Note effected in any remarketing.

FAILED REMARKETING. By 12:15 P.M., New York City time, on any Interest Rate Adjustment Date for this Note, the Remarketing Agent will notify the Trustee and the Company by telephone, confirmed in writing (which includes facsimile or appropriate electronic media), if it was unable to remarket this Note at a price equal to 100% of the principal amount hereof on such date. Such notice will constitute a demand on the Company to purchase this Note at a price equal to the outstanding principal amount hereof. The Company thereupon will pay the outstanding principal amount of this Note plus all accrued and unpaid interest, if any, on this Note to such Interest Rate Adjustment Date. Payment of the principal amount of this Note and payment of accrued and unpaid interest, if any, thereon under the circumstances contemplated in this paragraph by the Company shall be made by deposit of same-day funds with the Trustee by 3:00 P.M., New York City time, on the related Interest Rate Adjustment Date.

TRANSFER OR EXCHANGE

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Note is registrable in the Security Register, upon surrender of this Note for registration of transfer at the office or agency of the Company in any place where the principal of and premium, if any, and any interest on this Note are payable or at such other offices or agencies as the Company may designate, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to, the Company and the Security Registrar or any transfer agent duly executed by the registered owner hereof or his attorney duly authorized in writing, and thereupon one or more new Notes of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, Stated Maturity and other terms will be issued to the designated transferee or transferees.

This Note is issuable only in fully registered form in denominations of \$100,000 and integral multiples of \$1,000 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, this Note is exchangeable for a like aggregate principal amount of Notes of the same series and of like tenor of any authorized denomination, as requested by the registered owner surrendering the same.

No service charge shall be made for any registration of transfer or exchange of this Note, but, subject to certain limitations set forth in the Indenture, the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Subject to the terms of the Indenture, prior to due presentment of this Note for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Note is registered as the owner hereof for all purposes, whether or not

this Note is overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

REDEMPTION, ACCELERATION AND REPAYMENT

SPECIAL MANDATORY PURCHASE. If this Note has not been remarketed by 12:15 P.M., New York City time, on an Interest Rate Adjustment Date for this Note, it will be purchased by the Company (a "Special Mandatory Purchase"). In such event, the Company will deposit same-day funds with the Trustee irrevocably in trust for the benefit of the beneficial owners hereof by 3:00 p.m., New York City time, on such Interest Rate Adjustment Date. Such funds shall be in an amount sufficient to pay 100% of the principal amount hereof plus accrued and unpaid interest, if any, thereon. This Note will remain outstanding and enjoy the benefits of the Indenture until such time as the Company delivers certificates for this Note to the Trustee for cancellation or otherwise directs the Trustee to reflect that such funds have been paid in full and to cancel this Note (or the portion hereof subject to Special Mandatory Purchase) in accordance with the Indenture. With respect to any portion of this Note purchased pursuant to the Special Mandatory Purchase and remaining outstanding, the Company shall provide the Trustee with such instructions and other information as the Trustee may require for settlement purposes.

Failure by the Company to purchase this Note subject to Special Mandatory Purchase within the time period provided therefor, after written notice (which includes facsimile or appropriate electronic media) of a failed remarketing of this Note by the Remarketing Agent on behalf of the Beneficial Owners of this Note as provided herein, shall constitute an Event of Default under the Indenture, and the date of such failure shall constitute a date of Maturity for purposes of the Indenture for this Note.

OPTIONAL REDEMPTION WHILE IN THE INITIAL INTEREST RATE PERIOD. During the Initial Interest Rate Period, this Note will be subject to redemption only to the extent provided and upon the terms set forth in Annex A.

OPTIONAL REDEMPTION ON ANY INTEREST RATE ADJUSTMENT DATE. Notwithstanding any provision to the contrary in the Indenture, this Note will be subject to redemption at the option of the Company without notice to the Holder hereof on any Interest Rate Adjustment Date therefor at a redemption price equal to the principal amount hereof plus accrued and unpaid interest, if any, to such date.

OPTIONAL REDEMPTION WHILE THIS NOTE IS IN THE LONG TERM RATE MODE. So long as this Note bears interest in the Long Term Rate Mode, this Note is subject to redemption at the option of the Company at the times and upon the terms specified at the time of conversion to such Long Term Rate Mode and set forth in Annex A.

ALLOCATION. Except in the case of a Special Mandatory Purchase, if this Note is to be subject to a partial redemption, and as long as the Depository's nominee holds the certificate

representing this Note, the Depository, after receiving notice of redemption specifying the aggregate principal amount of Notes that include this Note to be so redeemed, will determine by lot (or otherwise in accordance with the procedures of the Depository) the principal amount of such Notes to be redeemed from the account of each DTC Participant. After making its determination as described above, the Depository will give notice of such determination to each DTC Participant from whose account such Notes are to be redeemed. Each such DTC Participant, upon receipt of such notice, will in turn determine the principal amount of Notes to be redeemed from the accounts of the beneficial owners of such Remarketed Notes for which it serves as DTC Participant, and give notice of such determination to the Remarketing Agent.

Unless otherwise specified in Annex A, with respect to redemption on any date other than an Interest Rate Adjustment Date, notice of redemption shall be given to the registered owner of this Note as provided in or pursuant to the terms of the Indenture. As provided in the Indenture, notice of redemption as aforesaid may state that such redemption shall be conditioned upon the receipt by the Trustee of the redemption monies on or before the date fixed for such redemption; a notice of redemption so conditioned shall be of no force or effect if such money is not so received.

The Company shall not be required to (a) issue, register the transfer of or exchange Notes of this series during a period beginning at the opening of business fifteen (15) days before any selection of Notes of this series to be redeemed and ending at the close of business on the day of the mailing of the relevant notice of redemption or (b) register the transfer of or exchange any Notes selected for redemption, in whole or in part, except the unredeemed portion of any Note being redeemed in part.

In the event of redemption of this Note in part only, a new Note or Notes of this series, of like tenor, for the unredeemed portion hereof will be issued in the name of the registered owner hereof upon the cancellation hereof.

OPTIONAL REPAYMENT WHILE IN THE INITIAL INTEREST RATE PERIOD OR IN THE LONG TERM RATE MODE. During the Initial Interest Rate Period, this Note will be subject to repayment at the option of the Holder hereof only to the extent provided and upon the terms set forth in Annex A. Thereafter, so long as this Note bears interest in the Long Term Rate Mode, this Note is subject to repayment at the option of the Holder hereof at the times and upon the terms specified at the time of conversion to such Long Term Rate Mode and set forth in Annex A. Notwithstanding the foregoing, for this Note to be repaid at the option of the Holder hereof during any Interest Rate Period, a duly completed election form must be received by the Trustee and delivered to the Company not later than fifteen (15) Business Days prior to the next succeeding Interest Rate Adjustment Date for this Note. The Holder will also provide the Trustee with any additional information as it might reasonably request. If the duly completed election form is not so received and delivered by such date, this Note will not be repaid by the Company at the option of the Holder thereof but will be subject to remarketing on such next succeeding Interest Rate Adjustment Date.

EVENTS OF DEFAULT. If any Event of Default with respect to this Note shall occur and be continuing, the principal of this Note may be declared due and payable in the manner and with the effect provided in the Indenture.

OTHER PROVISIONS

The Indenture contains provisions for defeasance of (i) the entire indebtedness of the Notes or (ii) certain covenants and Events of Default with respect to the Notes, in each case upon compliance with certain conditions set forth therein, which provisions apply to the Notes.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the registered owners of the Securities of each series thereunder to be affected under the Indenture at any time by the Company and the Trustee with the consent of the registered owners of not less than a majority in aggregate principal amount of such Securities then Outstanding of each series to be affected. The Indenture also contains provisions permitting the registered owners of specified percentages in principal amount of the Securities of each series thereunder at the time Outstanding, on behalf of the registered owners of all Securities of such series, to waive compliance by the Company with certain restrictive provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the registered owner of this Note shall be conclusive and binding upon such registered owner and upon all future registered owners of this Note issued upon the registration of transfer hereof or in exchange for or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

No reference to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and premium, if any, and any interest including additional amounts, on this Note at the times, places and rate, and in the coin or currency, herein prescribed.

The Indenture and this Note shall be governed by and construed in accordance with the laws of the State of New York.

This Note shall not be valid or become obligatory for any purpose until the Trustee's Certificate of Authentication hereon shall have been executed by the Trustee.

IN WITNESS WHEREOF, NEWELL CO. has caused this instrument to be duly executed under its corporate seal.

NEWELL CO.

[SEAL]

By: _____
Name: C. R. Davenport
Title: Vice President-Treasurer

Attest:

By: _____
Name: Richard H. Wolff
Title: Secretary

This is one of the Securities of the series designated herein, referred to in the within mentioned Indenture.

The Chase Manhattan Bank,
as Trustee

By: _____
Authorized Officer
Date:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers
unto _____
Please insert Social Security or other identifying number of assignee

(please print or type name and address of assignee)

the within Note and all rights thereunder and does hereby irrevocably constitute and appoint the aforesaid assignee attorney to transfer the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

In the presence of:

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever. When assignment is made by a guardian, trustee, executor or administrator, an officer of a corporation, or anyone in a representative capacity, proof of his authority to act must accompany the Note.

OPTION TO ELECT REPAYMENT

The undersigned hereby irrevocably request(s) and instruct(s) the Company to repay this Note (or portion hereof specified below) pursuant to its terms at a price equal to 100% of the principal amount to be repaid, together with unpaid interest accrued hereon to the Repayment Date, to the undersigned, at _____.

For this Note to be repaid, the Trustee must receive at its corporate trust office in the Borough of Manhattan, The City of New York, not more than 60 nor less than 30 calendar days prior to the Repayment Date, this Note with this "Option to Elect Repayment" form duly completed.

If less than the entire principal amount of this Note is to be repaid, specify the portion hereof (which shall be increments of U.S.\$1,000 (or, if the Specified Currency is other than United States dollars, the minimum Authorized Denomination specified on the face hereof)) which the holder elects to have repaid and specify the denomination or denominations (which shall be an Authorized Denomination) not less than \$100,000 of the Notes to be issued to the holder for the portion of this Note not being repaid (in the absence of any such specification, one such Note will be issued for the portion not be repaid).

Principal Amount
to be Repaid:

_____ \$ _____

CUSIP Number or other identifier:

Date: _____

Notice: The signature(s) on this Option to Elect Repayment must correspond with the name(s) as written upon the face of this Note in every particular, without alteration or enlargement or any change whatsoever.

NEWELL CO.

Medium-Term Note, Series A
(Remarketed Note)

CUSIP Number:

Principal Amount:

Original Issue Date:

Issue Price:

Stated Maturity:

Interest Rate Adjustment Date(s):

Initial Interest Rate Period:

Record Date(s):

Interest Payment Date(s):

Initial Interest Rate:

Fixed Rate:

Floating Rate:

Calculation Agent (if other than The Chase Manhattan Bank):

Initial Interest Rate to Initial Interest Reset Date:

Interest Calculation:

Regular Floating Rate

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(1)Trustee may complete this Annex A or attach a copy of the applicable pricing supplement, or other notice containing all of the applicable terms set forth herein, as Annex A.

Inverse Floating Rate Note
Fixed Interest Rate:

Floating Rate/Fixed Rate Note
Fixed Rate Commencement Date:
Fixed Interest Rate:

Interest Rate Basis(es):

CD Rate
Index Maturity:

CMT Rate
Index Maturity:
Designated CMT Telerate Page:

Commercial Paper Rate
Index Maturity:

Eleventh District Cost of Funds Rate

Federal Funds Rate

LIBOR
 LIBOR Reuters
Index Currency:
Index Maturity:
 LIBOR Telerate
Index Currency:
Index Maturity:

Prime Rate

Treasury Rate
Index Maturity:

Spread (+/-):

Spread Multiplier:

Maximum Interest Rate:

Minimum Interest Rate:

Initial Interest Reset Date:

Interest Reset Date(s):

Interest Reset Period(s):

Day Count Convention:

- Actual/360 for the period from _____ to _____
- Actual/Actual for the period from _____ to _____
- 30/360 for the period from _____ to _____

Applicable Interest Rate Basis:

Optional Redemption Provisions for Initial Interest Rate Period:

- This Note cannot be redeemed prior to the First Interest Rate Adjustment Date.
- This Note may be redeemed prior to the First Interest Rate Adjustment Date.

Initial Redemption Date:

Initial Redemption Percentage:

Actual Redemption Percentage Reduction (until Redemption Percentage is 100% of the Principal Amount):

Other or Alternative Terms of Redemption:

Optional Repayment Provisions for Initial Interest Rate Period:

- This Note cannot be repaid prior to the First Interest Rate Adjustment Date.
- This Note may be repaid prior to the First Interest Rate Adjustment Date at the option of the Holder hereof.

Optional Repayment Dates:

Repayment Price: _____%

Other or Alternative Terms of Optional Repayment:

Other Provisions:
